

AMENDED IN SENATE JUNE 15, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2928**

~~Introduced by Committee on Transportation (Torlakson~~  
~~(Chair), Baldwin, Correa, Davis, Dutra, Firebaugh, Havice,~~  
~~Leach, Longville, Maldonado, Nakano, Scott,~~  
~~Strom-Martin, and Zettel) Assembly Members Torlakson~~  
~~and Florez~~

*(Coauthors: Assembly Members Alquist, Aroner, Cardoza,*  
*Cedillo, Corbett, Davis, Dutra, Gallegos, Hertzberg, Knox,*  
*Longville, Machado, Mazzoni, Romero, Scott, Shelley,*  
*Steinberg, Thomson, Villaraigosa, Wahington, Wiggins, and*  
*Wildman)*

*(Coauthors: Senators Alpert, Chesbro, Murray, Perata,*  
*Polanco, and Soto)*

March 20, 2000

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~~An act to amend Section 2191 of the Streets and Highways~~  
~~Code, relating to transportation. An act to amend Sections~~  
~~14524, 14525, 14526, 14527, 14529, 65080, 65082, and 65083 of,~~  
~~and to add Chapter 4.5 (commencing with Section 14556) to~~  
~~Part 5.3 of Division 3 of Title 2 of, the Government Code, to~~  
~~amend, repeal, and add Section 7102 of, to add Section 10754.2~~  
~~to, and to add and repeal Section 7104 of, the Revenue and~~  
~~Taxation Code, and to amend Sections 164.6, 182.6, and 182.7~~  
~~of, and to add Sections 182.8, 183.1, 2182, and 2182.1 to, the~~  
~~Streets and Highways Code, relating to transportation,~~  
~~making an appropriation therefor, and declaring the urgency~~  
~~thereof, to take effect immediately.~~

## LEGISLATIVE COUNSEL'S DIGEST

AB 2928, as amended, ~~Committee on Transportation~~  
~~Torlakson. Transportation: intermodal corridors of~~  
~~economic significance finance.~~

(1) Existing law requires the California Transportation Commission, in conjunction with the Department of Transportation, transportation planning agencies, county transportation commissions, and transportation authorities, to develop a 4-year state transportation improvement program for purposes of planning the appropriation and allocation of available transportation funds to state, regional, and local transportation projects, including a 4-year process for estimating the amount of state and federal funds to be available for those transportation projects.

This bill would extend the 4-year state transportation improvement program, including the 4-year fund estimation process, to 5 years.

The bill would establish the Traffic Congestion Relief Fund (hereafter the TCRF) in the State Treasury and would appropriate the money in the TCRF to the commission for allocation to the department and certain regional and local transportation entities for transportation projects listed in the bill, to the Controller for allocation to cities, counties, and cities and counties for street and road maintenance, rehabilitation, and reconstruction, to the commission for the purposes of a funding exchange program established by the bill, and to the department for rehabilitation and repaving projects on state highways.

The bill would establish a list of transportation projects eligible for funding with money from the TCRF, would specify the lead agency for each project, and would establish a procedure for the lead agency to apply to the commission for funds for each project.

(2) The Sales and Use Tax Law imposes, among other things, a tax at a rate of 4  $\frac{3}{4}$ % upon the gross receipts from the retail sale in this state of, and the storage, use, or other consumption in this state of, tangible personal property.

Existing law requires that all revenues, less refunds, derived under that law at the 4  $\frac{3}{4}$ % rate from the sale, storage, use, or other consumption in this state of motor vehicle fuel, as

defined, or fuel, as defined, be transferred to certain accounts and funds in accordance with specified formulas, with the balance to be transferred to the General Fund.

This bill would require, for the 2000–01 fiscal year only, that all revenue, less refunds, derived under that law at the 5% rate, resulting from the rate of tax imposed under the Motor Vehicle Fuel License Tax Law, except as specified, and all revenue, less refunds, derived under that law at the 5% rate, resulting from the rate of tax imposed under a specified federal motor vehicle fuel tax, be transferred quarterly to the TCRF.

The bill would require, until June 30, 2001, that the amounts transferred be included for purposes of a specified calculation relating to school funding and required under the California Constitution.

(3) The Sales and Use Tax Law provides for the allocation of the revenues derived from the taxes imposed under that law for various specific purposes, with the balance being allocated to the General Fund.

This bill would require the State Board of Equalization, in consultation with the Department of Finance, on a quarterly basis, to estimate the amount that is required to be transferred to the General Fund, as specified, that is attributable to revenue collected for the sale, storage, use, or other consumption in this state of motor vehicle fuel, as defined, and inform the Controller, in writing, of the amount estimated.

The bill would require the Controller to transfer that estimated amount from the General Fund to the Transportation Investment Fund (hereafter the TIF), which the bill would create in the State Treasury.

The bill would require the Controller, for each quarter during the period commencing on July 1, 2001, and ending on June 30, 2006, to transfer from the fund (a) to the TCRF, the sum of \$169,500,000, for a total transfer of \$3,390,000,000; (b) to the Public Transportation Account, a trust fund in the State Transportation Fund, 20% of the amount remaining in the TIF after the transfer described in (a), for appropriation as specified; (c) to the Department of Transportation 40% of the amount remaining in the TIF after the transfer described in (a), for programming for transportation capital improvement

projects, subject to all of the provisions governing the State Transportation Improvement Program; (d) to the counties, including a city and county, 20% of the amount remaining in the TIF after the transfer described in (a), for apportionment in accordance with certain formulas; and (e) to the cities, including a city and county, 20% of the amount remaining in the TIF after the transfer described in (a), for apportionment among the cities in the proportion that the total population of the city bears to the total population of all the cities in the state.

The bill would require that funds transferred as described in (d) and (e) be deposited in certain local accounts, as specified, in order to avoid the commingling of those funds with other local funds and that the funds be used only for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair, as defined.

The bill would require cities and counties to maintain their existing commitment of local funds for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for allocation of the funds described in (d) and (e). The bill would require a city or county, in order to receive any of that specified allocation, to make prescribed annual expenditures.

The bill would require the Los Angeles County Metropolitan Transportation Authority to give first priority for using its share of certain transit assistance and operation funds made available under the bill to providing the levels of bus service mandated under the consent decree entered into by the authority on October 29, 1996, in the case of *Labor/Community Strategy Center, et al. v. Los Angeles County Metropolitan Transportation Authority*.

(4) The Vehicle License Fee Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state in the amount of 2% of the market value of that vehicle, as specified. Existing law permanently offsets the amount of the vehicle license fee for each subject vehicle by 25%, and, subject to specified contingencies with respect to fiscal year projections of General Fund revenues, provides for the implementation

*of similar, superseding offsets of 35%, 46.5%, 55%, and 67.5% to apply to specified future calendar years.*

*The bill would prohibit, for the 2000–01 fiscal year, any General Fund forecast of revenues used for the purposes specified in existing law from including any revenue loss due to the transfers required under (2) above.*

*(5) Existing law provides for allocation of federal regional surface transportation funds and federal congestion mitigation and air quality program funds to the regions in the state.*

*This bill would require the commission to establish a program to allow exchange of those federal funds for state transportation funds.*

*(6) The California Constitution requires the revenues from taxes imposed by the state on motor vehicle fuels for use in motor vehicles upon public streets and highways, over and above the costs of collection and refunds authorized by law, to be used for public streets and highways and exclusive public mass transit guideways purposes, as specified. Revenues from fees and taxes imposed by the state upon vehicles or their use or operation, over and above the costs of collection and any refunds authorized by law, are required to be used for those purposes and the administration and enforcement of laws regulating the use, operation, or registration of vehicles used upon the public streets and highways.*

*This bill would authorize money deposited into the State Highway Account in the State Transportation Fund that is not subject to the constitutional requirements specified above to be used for any transportation purpose authorized by statute, as specified.*

*(7) Existing law requires that all transportation funds that are available to the state be expended for certain listed purposes in accordance with a specified sequence of priorities.*

*This bill would appropriate \$1,500,000,000 from the General Fund to the TCRF for the purposes of the bill.*

*The bill would appropriate \$400,000,000 from the TCRF to the Controller for allocation to cities and counties for the purposes of this bill.*

*The bill would appropriate \$5,000,000 from the TCRF to the High-Speed Rail Authority for the purpose of commencing*

*preliminary environmental documentation for the implementation of a high-speed rail service in California.*

*(8) This bill would declare that it is to take effect immediately as an urgency statute.*

~~Existing law requires the Department of Transportation, in cooperation with regional transportation planning agencies, to identify the significant transportation arteries in the state that connect or provide access to major sea or waterway ports, nationwide railway systems, airports, and interstate and intrastate highway systems that serve as intermodal corridors of economic significance.~~

~~This bill would require the department, in cooperation with the regional transportation planning agencies, to establish a task force composed of representatives from federal, state, and local governmental agencies and representatives from the private sector to develop a strategy for avoiding congestion on the state's intermodal corridors of economic significance, as defined.~~

~~The bill would require the department, in cooperation with local and regional transportation agencies, to develop and apply performance measures for the movement of freight on the intermodal corridors of economic significance to gauge the ability of those corridors to provide efficient movement of goods.~~

~~The bill would require the department to monitor the performance of the intermodal corridors of economic significance to detect any deficiencies at an early stage, determine the causes of those deficiencies, and develop strategies to address those deficiencies. The bill would require the department to work with other states to establish standardized performance measures for the intermodal corridors of economic significance.~~

~~Vote: majority  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.~~

*The people of the State of California do enact as follows:*

- 1 ~~SECTION 1. Section 2191 of the Streets and~~
- 2 ~~SECTION 1. Section 14524 of the Government Code~~
- 3 ~~is amended to read:~~

1 14524. (a) Not later than ~~January 5, 1998~~ *July 15, 2001*,  
2 and July 15 of each odd-numbered year thereafter, the  
3 department shall submit to the commission a ~~four-year~~  
4 *five-year* estimate pursuant to Section 164 of the Streets  
5 and Highways Code, in annual increments, of all federal  
6 and state funds reasonably expected to be available  
7 during the following ~~four~~ *five* fiscal years.

8 (b) The estimate shall specify the amount that may be  
9 programmed in each county for regional improvement  
10 programs pursuant to paragraph (2) of subdivision (a) of  
11 Section 164 of the Streets and Highways Code and shall  
12 identify any statutory restriction on the use of particular  
13 funds.

14 (c) For the purpose of estimating revenues, the  
15 department shall assume that there will be no changes in  
16 existing state and federal statutes. Federal funds available  
17 for demonstration projects that are not subject to federal  
18 obligational authority, or are accompanied with their own  
19 dedicated obligational authority, shall not be considered  
20 funds that would otherwise be available to the state and  
21 shall not be included in the fund estimate.

22 (d) The method by which the estimate is determined  
23 shall be determined by the commission, in consultation  
24 with the department, transportation planning agencies,  
25 and county transportation commissions.

26 *SEC. 2. Section 14525 of the Government Code is*  
27 *amended to read:*

28 14525. (a) Not later than ~~January 5, 1998~~ *August 15,*  
29 *2001*, and August 15 of each odd-numbered year  
30 thereafter, the commission shall adopt a ~~four-year~~  
31 *five-year* estimate pursuant to Section 164 of the Streets  
32 and Highways Code, in annual increments, of all state and  
33 federal funds reasonably expected to be available during  
34 the following ~~four~~ *five* fiscal years.

35 (b) The estimate shall specify the amount that may be  
36 programmed in each county for regional improvement  
37 programs under paragraph (2) of subdivision (a) of  
38 Section 164 of the Streets and Highways Code and shall  
39 identify any statutory restriction on the use of particular  
40 funds.



1 (c) For the purpose of estimating revenues, the  
2 commission shall assume that there will be no change in  
3 existing state and federal statutes. Federal funds available  
4 for demonstration projects that are not subject to federal  
5 obligational authority, or are accompanied with their own  
6 dedicated obligational authority, shall not be considered  
7 funds that would otherwise be available to the state and  
8 shall not be included in the fund estimate.

9 (d) If the commission finds that legislation pending  
10 before the Legislature or the United States Congress may  
11 have a significant impact on the fund estimate, the  
12 commission may postpone the adoption of the fund  
13 estimate for no more than 90 days. Prior to March 1 of  
14 each even-numbered year, the commission may amend  
15 the estimate following consultation with the department,  
16 transportation planning agencies, and county  
17 transportation commissions to account for unexpected  
18 revenues or other unforeseen circumstances. In the event  
19 the fund estimate is amended, the commission shall  
20 extend the dates for the submittal of improvement  
21 programs as specified in Sections 14526 and 14527 and for  
22 the adoption of the state transportation improvement  
23 program pursuant to Section 14529.

24 *SEC. 3. Section 14526 of the Government Code is*  
25 *amended to read:*

26 14526. (a) Not later than ~~March 1, 1998~~ *December 15,*  
27 *2001,* and December 15 of each odd-numbered year  
28 thereafter, and after consulting with the transportation  
29 planning agencies, county transportation commissions,  
30 and transportation authorities, the department shall  
31 submit to the commission its *five-year* interregional  
32 transportation improvement program consisting of all of  
33 the following:

34 (1) Projects to improve state highways, pursuant to  
35 subdivision (b) of Section 164 of the Streets and Highways  
36 Code.

37 (2) Projects to improve the intercity passenger rail  
38 system.

39 (3) Projects to improve interregional movement of  
40 people, vehicles, and goods.



(b) Projects may not be included in the interregional transportation improvement program without a project study report or major investment study.

(c) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and shall be consistent with, and provide the information required in, subdivision (b) of Section 14529.

(d) Projects included in the interregional transportation improvement program shall be consistent with the adopted regional transportation plan.

*SEC. 4. Section 14527 of the Government Code is amended to read:*

14527. (a) After consulting with the department, the regional transportation planning agencies and county transportation commissions shall adopt and submit to the commission and the department, not later than ~~March 1,~~ ~~1998~~ December 15, 2001, and December 15 of each odd-numbered year thereafter, a ~~four-year~~ five-year regional transportation improvement program in conformance with Section 65082. In counties where a county transportation commission or authority has been created pursuant to Chapter 2 (commencing with Section 130050) of Division 12 of the Public Utilities Code, the commission or the authority shall adopt and submit the county transportation improvement program, in conformance with Sections 130303 and 130304 of that code, to the multicounty designated transportation planning agency. Other information, including a program for expenditure of local or federal funds, may be submitted for information purposes with the program, but only at the discretion of the transportation planning agencies or the county transportation commissions.

(b) The regional transportation improvement program shall include all projects to be funded with regional improvement funds under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code. The regional programs shall be limited to projects to be funded in whole or in part with regional improvement funds which shall include all projects to

1 receive allocations by the commission during the  
2 following ~~four~~ *five* fiscal years. For each project, the total  
3 expenditure for each project component and the total  
4 amount of commission allocation and the year of  
5 allocation shall be stated. The total cost of projects to be  
6 funded with regional improvement funds shall not  
7 exceed the amount specified in the fund estimate made  
8 by the commission pursuant to Section 14525.

9 (c) The regional transportation planning agencies and  
10 county transportation commissions may recommend  
11 projects to improve state highways with interregional  
12 improvement funds pursuant to subdivision (b) of  
13 Section 164 of the Streets and Highways Code. The  
14 recommendations shall be separate and distinct from the  
15 regional transportation program. A project  
16 recommended for funding pursuant to this subdivision  
17 shall constitute a usable segment and shall not be a  
18 condition for inclusion of other projects in the regional  
19 transportation improvement program.

20 (d) Major projects shall include current costs updated  
21 as of November 1 of the year of submittal and escalated  
22 to the appropriate year, and shall be consistent with, and  
23 provide the information required in, subdivision (b) of  
24 Section 14529.

25 ~~(f)~~—

26 (e) The regional transportation improvement  
27 program may not change the project delivery milestone  
28 date of any project as shown in the prior adopted state  
29 transportation improvement program without the  
30 consent of the department or other agency responsible  
31 for the project's delivery.

32 ~~(g)~~—

33 (f) Projects may not be included in the regional  
34 transportation improvement program without a  
35 complete project study report or, for a project that is not  
36 on a state highway, a project study report equivalent or  
37 major investment study.

38 ~~(h)~~—

39 (g) The transportation planning agencies and county  
40 transportation commissions may request and receive an

1 amount not to exceed one-half of 1 percent of their  
2 regional improvement fund expenditures for the  
3 purposes of project planning, programming, and  
4 monitoring. A transportation planning agency or county  
5 transportation commission not receiving federal  
6 metropolitan planning funds may request and receive an  
7 amount not to exceed 2 percent of its regional  
8 improvement fund expenditures for the purposes of  
9 project planning, programming, and monitoring.

10 *SEC. 5. Section 14529 of the Government Code is*  
11 *amended to read:*

12 14529. (a) The state transportation improvement  
13 program shall include a listing of all capital improvement  
14 projects that are expected to receive an allocation of state  
15 transportation funds under Section 164 of the Streets and  
16 Highways Code, including revenues from transportation  
17 bond acts, from the commission during the following ~~four~~  
18 *five* fiscal years. It shall include, and be limited to, the  
19 projects to be funded with the following:

20 (1) Interregional improvement funds.

21 (2) Regional improvement funds.

22 (b) For each project, the program shall specify the  
23 allocation or expenditure amount and the allocation or  
24 expenditure year for each of the following project  
25 components:

26 (1) Completion of all permits and environmental  
27 studies.

28 (2) Preparation of plans, specifications, and estimates.

29 (3) The acquisition of rights-of-way, including, but not  
30 limited to, support activities.

31 (4) Construction and construction management and  
32 engineering, including surveys and inspection.

33 (c) Funding for right-of-way acquisition and  
34 construction for a project may be included in the  
35 program only if the commission makes a finding that the  
36 sponsoring agency will complete the environmental  
37 process and can proceed with right-of-way acquisition or  
38 construction within the ~~four-year~~ *five-year* period. No  
39 allocation for right-of-way acquisition or construction

1 shall be made until the completion of the environmental  
2 studies and the selection of a preferred alternative.

3 (d) The commission shall adopt and submit to the  
4 Legislature and the Governor, not later than ~~June 1, 1998,~~  
5 ~~and~~ April 1 of each even-numbered year thereafter, a  
6 state transportation improvement program. The  
7 program shall cover a period of ~~four~~ *five* years, beginning  
8 July 1 of the year it is adopted, and shall be a statement  
9 of intent by the commission for the allocation or  
10 expenditure of funds during those ~~four~~ *five* years. The  
11 program shall include projects which are expected to  
12 receive funds prior to July 1 of the year of adoption, but  
13 for which the commission has not yet allocated funds.

14 (e) The projects included in the adopted state  
15 transportation improvement program shall be limited to  
16 those projects submitted or recommended pursuant to  
17 Sections 14526 and 14527. The total amount programmed  
18 in each fiscal year for each program category shall not  
19 exceed the amount specified in the fund estimate  
20 adopted under Section 14525.

21 (f) The state transportation improvement program is  
22 a resource management document to assist the state and  
23 local entities to plan and implement transportation  
24 improvements and to utilize available resources in a  
25 cost-effective manner. It is a document for each county  
26 and each region to declare their intent to use available  
27 state and federal funds in a timely and cost-effective  
28 manner.

29 (g) Prior to the adoption of the state transportation  
30 improvement program, the commission shall hold not less  
31 than one hearing in northern California and one hearing  
32 in southern California to reconcile any objections by any  
33 county or regional agency to the department's program  
34 or the department's objections to any regional program.

35 (h) The commission shall incorporate projects that are  
36 included in the regional transportation improvement  
37 program and are to be funded with regional  
38 improvement funds, unless the commission finds that the  
39 regional transportation improvement program is not  
40 consistent with the guidelines adopted by the commission

1 or is not a cost-effective expenditure of state funds, in  
 2 which case the commission may reject the regional  
 3 transportation improvement program in its entirety. The  
 4 finding shall be based on an objective analysis, including,  
 5 but not limited to, travel forecast, cost, and air quality.  
 6 The commission shall hold a public hearing in the affected  
 7 county or region prior to rejecting the program, or not  
 8 later than 60 days after rejecting the program. When a  
 9 regional transportation improvement program is  
 10 rejected, the regional entity may submit a new regional  
 11 transportation improvement program for inclusion in the  
 12 state transportation improvement program. The  
 13 commission shall not reject a regional transportation  
 14 improvement program unless, not later than 60 days after  
 15 the date it received the program, it provided notice to the  
 16 affected agency that specified the factual basis for its  
 17 proposed action.

18 (i) A project may be funded with more than one of the  
 19 program categories listed in Section 164 of the Streets and  
 20 Highways Code.

21 (j) Notwithstanding any other provision of law, no  
 22 local or regional matching funds shall be required for  
 23 projects that are included in the state transportation  
 24 improvement program.

25 (k) The commission may include a project  
 26 recommended by a regional transportation planning  
 27 agency or county transportation commission pursuant to  
 28 subdivision (c) of Section 14527, if the commission makes  
 29 a finding, based on an objective analysis, that the  
 30 recommended project is more cost-effective than a  
 31 project submitted by the department pursuant to Section  
 32 14526.

33 *SEC. 6. Chapter 4.5 (commencing with Section*  
 34 *14556) is added to Part 5.3 of Division 3 of Title 2 of the*  
 35 *Government Code, to read:*  
 36

## Article 1. General Provisions

(e) *The Public Transportation Account in the State Transportation Fund, which provides funds for transit*

1 *operations and intercity rail service in California, is*  
2 *estimated to have a four-year deficit of fifty-three million*  
3 *dollars (\$53,000,000), increasing to a six-year deficit of one*  
4 *hundred fifty-eight million dollars (\$158,000,000).*

5 *(f) The state's population is expected to exceed*  
6 *45,000,000 persons by the year 2020, imposing additional*  
7 *demand on the transportation system.*

8 *(g) Significant benefits will be obtained by completing*  
9 *major improvements earlier, accelerating development*  
10 *of new improvements, and improving the connectivity of*  
11 *the various transportation modes within the state's*  
12 *transportation system.*

13 *(h) Therefore, it is appropriate to create a Traffic*  
14 *Congestion Relief Fund to finance congestion relief*  
15 *improvements, to dedicate the sales tax on gasoline to*  
16 *transportation purposes, and to create a Transportation*  
17 *Investment Fund to finance improvements to*  
18 *neighborhood streets and roads, to provide funding for*  
19 *transit operations and intercity rail, and to supplement*  
20 *the Traffic Congestion Relief Fund.*

21  
22 *Article 2. Traffic Congestion Relief Fund*  
23

24 *14556.5. The Traffic Congestion Relief Fund is hereby*  
25 *created in the State Treasury. The fund shall include*  
26 *deposits of funding provided in the annual Budget Act,*  
27 *provided from the Transportation Investment Fund*  
28 *established under Section 7104 of the Revenue and*  
29 *Taxation Code, or provided under any other legislation.*  
30 *Notwithstanding Section 13340, the money in the fund is*  
31 *hereby continuously appropriated to the department,*  
32 *without regard to fiscal years, for allocation, as directed*  
33 *by the commission pursuant to Section 14556.20, to the*  
34 *department and other regional and local transportation*  
35 *entities for the projects listed in Article 5 (commencing*  
36 *with Section 14556.40) to the Controller for allocation to*  
37 *cities, counties, and cities and counties pursuant to*  
38 *Section 2182 of the Streets and Highways Code, and to the*  
39 *commission for the funding exchange program*



1 authorized by Section 182.8 of the Streets and Highways  
2 Code.

3 14556.6. The purpose of this article is to relieve traffic  
4 congestion, provide additional funding for local street  
5 and road deferred maintenance, and provide additional  
6 transportation capacity in high growth areas of the state.  
7 The Traffic Congestion Relief Fund is intended to  
8 contribute five billion three hundred ninety million  
9 dollars (\$5,390,000,000), above the traditional  
10 transportation funding provided by the state, towards the  
11 funding of projects listed in Article 5 (commencing with  
12 Section 14556.40) and the deferred maintenance  
13 program authorized in Section 2182 of the Streets and  
14 Highways Code. This funding commitment is intended to  
15 be combined with other state, local, federal, and private  
16 funds to complete and operate the transportation  
17 improvements identified in Article 5 (commencing with  
18 Section 14556.40). Funds needed to meet the  
19 contribution commitment described in this section are  
20 intended to be provided as follows:

21 (a) The sum of one billion five hundred million dollars  
22 (\$1,500,000,000) from the General Fund, as appropriated  
23 by Section 20 of the act that added this chapter, to the  
24 fund.

25 (b) The sum of five hundred million dollars  
26 (\$500,000,000) from the transfer of the sales and use tax  
27 on motor vehicle fuel during the 2000–01 fiscal year, as  
28 required under Section 7102 of the Revenue and Taxation  
29 Code, as amended by Section 10 of the act that added this  
30 section.

31 (c) The sum of six hundred seventy-eight million  
32 dollars (\$678,000,000) is intended to be provided in each  
33 of five successive fiscal years, commencing with the  
34 2001–02 fiscal year, from the Transportation Investment  
35 Fund.

36

37 Article 3. Fund Allocation and Expenditure

38

39 14556.10. (a) The lead applicant agency specified for  
40 each project in Article 5 (commencing with Section



1 14556.40) shall be responsible for preparing and  
2 submitting a project application to the commission in  
3 accordance with guidelines adopted by the commission.

4 (b) The lead applicant agency may, but is not  
5 required, to be the agency responsible for carrying out  
6 the work to complete the project.

7 (c) A lead applicant agency may submit separate  
8 applications for separate projects identified in Article 5  
9 (commencing with Section 14556.40).

10 14556.11. Not later than 90 days from the effective date  
11 of the act that added this section, the commission, in  
12 consultation with the department and representatives  
13 from regional agencies and local agencies, and after a  
14 public hearing, shall establish guidelines to implement  
15 this chapter. The guidelines shall include, but not be  
16 limited to, criteria for project applications, estimation  
17 costs, assessment of capability to complete the project,  
18 allocation of funds to project phases, timely expenditure  
19 of funds, management of changes to cost, scope, and  
20 schedules, assessment of progress in implementing  
21 projects, and audit requirements.

22 14556.12. (a) Designated lead applicant agencies  
23 shall submit applications to the commission within two  
24 years of the effective date of the act that added this  
25 section. If a completed application is not received within  
26 this period for a project listed in Article 5 (commencing  
27 with Section 14556.40), or an alternate project has not  
28 been submitted by the appropriate lead agency pursuant  
29 to subdivision (b), the commission shall notify the  
30 Governor and the Legislature and shall seek statutory  
31 identification and approval of another project or projects  
32 to use the funds.

33 (b) (1) A designated lead applicant agency may  
34 submit an application for an alternate or substitute for a  
35 project specified in Section 14556.40, for other than an  
36 intercity rail project, if the specified project is delayed by  
37 environmental or other factors external to the control of  
38 the lead applicant agency that are not likely to be  
39 removed within a reasonable time, if sufficient matching  
40 funds are not available to secure the designated state

1 grant funds, if the specified project is not included in or  
2 consistent with the respective regional transportation  
3 plan, or if completion of the specified project would  
4 jeopardize the completion of other projects previously  
5 programmed in the State Transportation Improvement  
6 Program.

7 (2) An application for an alternative project shall be  
8 approved by the commission if the application is  
9 submitted by the identified lead applicant agency within  
10 the two-year period specified in subdivision (a), the  
11 alternative project is designated to relieve congestion  
12 consistent with this act, the alternate project is within the  
13 jurisdiction of the lead applicant agency, and all other  
14 project approval requirements are met.

15 14556.13. (a) The project applications shall define  
16 the project purpose, intended scope, proposed cost,  
17 intended funding sources, and schedule for project  
18 completion. Each application shall also specify the  
19 paragraph number of subdivision (a) of Section 14556.40  
20 that authorizes the project, and identify the agency  
21 responsible for carrying out the work, to which the  
22 commission will allocate funds.

23 (b) Except as authorized under subdivision (c), the  
24 project application shall specify the scope of work, the  
25 cost, and the schedule for the following separate phases  
26 of work, as appropriate:

27 (1) Studies, environmental review, and permits.

28 (2) Preparation of project plans and specifications.

29 (3) Right-of-way acquisition.

30 (4) Construction or procurement.

31 (c) Some projects may be permitted to include scope  
32 of work on less than all of the phases specified in  
33 subdivisions (b).

34 (d) In accordance with guidelines established by the  
35 commission, each application shall include a plan  
36 describing all capital funds required for the project, the  
37 sources and the timing for those funds, and how those  
38 funds will be used. An application may seek funding for  
39 a single phase of a project.

1 (e) Applications for projects involving regional  
2 improvement program funds shall be cosigned by the  
3 regional transportation planning agency responsible for  
4 the regional transportation improvement program.  
5 Applications for projects involving interregional  
6 improvement program funds or where the state is the  
7 owner-operator shall be cosigned by the department.

8 (f) The plan shall identify the sources and timing of all  
9 funds required to undertake and complete any phase of  
10 a project for which the applicant seeks an allocation of  
11 funds from the commission. The plan should also describe  
12 intended sources and timing of funds to complete any  
13 subsequent phases of the project, through construction.

14 14556.14. The commission shall ascertain from the  
15 appropriate regional transportation planning agency that  
16 a project is included in, or is consistent with, the  
17 appropriate regional transportation plan before  
18 approving a project application involving right-of-way or  
19 construction phases. A project that involves only studies  
20 or project development phases is not required to be  
21 included in a regional transportation plan, unless federal  
22 funds will also be used to fund the project.

23 14556.16. (a) The commission, with the assistance of  
24 the department, shall begin review of a project  
25 application within 30 days of receipt of the application.

26 (b) The commission shall either approve or deny a  
27 project application within 90 days of the receipt of the  
28 application, unless the commission requests additional  
29 information from the applicant, in which case the 90-day  
30 time to approve or deny the application shall begin on the  
31 date that the commission receives the additional  
32 information requested.

33 (c) The commission shall state specific reasons for  
34 denying an application. The commission shall allow the  
35 applicant to amend and resubmit an application that has  
36 been denied. The commission shall then have 90 days  
37 from receipt of the amended application to reconsider  
38 the denial.

39 (d) The commission shall not deny an application that  
40 meets the requirements of this chapter, including the

1 guidelines adopted by the commission for this chapter  
2 and any other applicable statutes and regulations. The  
3 commission shall not unreasonably delay approval of an  
4 application that substantially conforms to these  
5 requirements if the applicant agrees to allow  
6 modifications to the application to meet the commission's  
7 conditions for approval.

8 14556.18. (a) Commission approval of a project  
9 application establishes the time schedule, by fiscal year,  
10 for implementation of the phases of a project. Project  
11 approval shall be deemed rescinded if the lead applicant  
12 agency or the agency responsible for carrying out the  
13 project does not seek an allocation from the commission  
14 and start the first phase of work during the fiscal year  
15 scheduled.

16 (b) If the first phase is not completed as scheduled, so  
17 that work on subsequent phases is delayed, the agency  
18 responsible for carrying out the project shall report the  
19 reasons for failure to complete the project to the  
20 commission. The commission may then reconsider the  
21 project application, ask for modification of the schedule  
22 and any other requirements of the application, and may,  
23 at its discretion, extend the time of reconsideration until  
24 environmental studies, review, and approval of final  
25 environmental documents has been completed.

26 14556.20. (a) The commission shall direct the  
27 department to allocate funds to the department, regional  
28 transportation planning agencies, local transportation  
29 commissions, congestion management agencies,  
30 transportation authorities, cities, counties, a city and  
31 county, joint powers authorities, ports, and transit  
32 districts for projects specified in Article 5 (commencing  
33 with Section 14556.40).

34 (b) Funds allocated as directed by the commission  
35 shall be expended only for studies or the phases of project  
36 work specified in Article 5 (commencing with Section  
37 14556.40).

38 (c) Allocations shall be made to specified phases of a  
39 project and may include more than one phase in a given  
40 allocation. The commission shall, at the time the first

1 allocation is made to a project, indicate how it intends to  
2 spread the total funding authorized for the project among  
3 the phases, but that indication shall not be binding for  
4 future phases if the commission finds that a different level  
5 of funding for a later phase would help ensure quicker  
6 delivery of the project for construction.

7 (d) Consistent with Article 5 (commencing with  
8 Section 14556.40), these funds may be used to satisfy any  
9 federal, state, or local matching fund requirement for the  
10 project to be funded.

11 (e) The allocation shall specify the percentage rate of  
12 reimbursement for expenditures for each phase of the  
13 project, considering the funding shares from various  
14 sources that comprise the full funding of each phase. The  
15 commission may specify different rates of  
16 reimbursement for different phases, and shall determine  
17 the spread of funding specified in Article 5 (commencing  
18 with Section 14556.40) across all the phases of work, as  
19 appropriate for the project.

20 (f) The commission may approve minor changes to  
21 project scope, cost, or schedule, so long as those  
22 modifications fall within the project purpose specified in  
23 the project application.

24 (g) The commission may consider applications under  
25 this section upon adoption of implementing guidelines.

26  
27 Article 4. Administration and Expenditure of Funds  
28

29 14556.25. (a) The department shall execute a  
30 cooperative agreement with the lead applicant agency or  
31 the agency responsible for carrying out the work for  
32 reimbursement of approved project expenditures, using  
33 funds allocated by the commission for that purpose and  
34 project phase. To reduce time and financial burden on  
35 lead applicant agencies, the department shall use  
36 electronic reimbursement procedures to the extent  
37 prudent and practical.

38 (b) The cooperative agreement shall specify how  
39 additional costs are to be covered, if necessary, and how



1 savings are to be used or distributed, if available, among  
2 all the various funding sources being used for the project.

3 14556.26. A regional or local agency receiving an  
4 allocation from this program shall certify, by resolution of  
5 its governing board, before final execution of the  
6 cooperative agreement, that it will sustain its level of  
7 expenditures for transportation purposes at a level that is  
8 consistent with the level for 1999–2000 fiscal year,  
9 including funds reserved for transportation purposes,  
10 during the fiscal years that the allocation provided under  
11 this chapter is available for use. The certification is subject  
12 to audit by the state.

13 14556.28. (a) For applicants other than the  
14 department, funds allocated shall generally be  
15 administered as a reimbursement program. At the  
16 request of an applicant, the commission shall authorize an  
17 advance payment for project development work  
18 necessary for a project specified in Article 5  
19 (commencing with Section 14556.40). At the request of  
20 an applicant, the commission may authorize an advance  
21 payment for demonstrated need, or for a project  
22 right-of-way, construction, or procurement phase.

23 (b) Project costs incurred prior to commission  
24 approval of a project application may not be reimbursed.  
25 Project costs incurred prior to commission allocation of  
26 funds, but after commission approval of a project  
27 application, may be reimbursed retroactively after  
28 allocation.

29 14556.30. (a) After receiving an allocation, the lead  
30 applicant shall make diligent and timely progress toward  
31 completing the work as described in the submitted  
32 application. If timely progress is not achieved, the  
33 commission may review the status of the project. If the  
34 commission finds the lead applicant agency is not  
35 pursuing project work diligently, including use of funds  
36 under the agency's control committed to the project, the  
37 commission may reallocate those funds to another project  
38 or projects listed in Article 5 (commencing with Section  
39 14556.40).



1 (b) If the commission and a lead applicant agency  
2 concur that a project is delayed by factors external to the  
3 control of the lead applicant agency and the factors are  
4 not likely to be removed within a reasonable time, the  
5 lead applicant agency may submit an application for an  
6 alternate or substitute project if the alternate project is  
7 designed to relieve congestion consistent with this act, is  
8 within the jurisdiction of the lead applicant agency, and  
9 meets all other project approval requirements.

10 (c) Notwithstanding Section 16304, funds allocated  
11 from the fund shall be available for encumbrance for  
12 three years after the date of allocation, and encumbered  
13 funds shall be available for liquidation for two additional  
14 years, unless the time limit is extended by an act of the  
15 Legislature. Any funds not expended by that time-limit  
16 shall revert to the fund.

17 14556.32. (a) The rate of reimbursement of  
18 expenditures shall not exceed the rate determined by the  
19 commission in its allocation of funds.

20 (b) After notifying the commission of savings in any  
21 phase, the lead applicant may use those savings for  
22 expenditures on a later phase of the same project.

23 (c) If additional funds are needed to complete a  
24 project, the lead applicant agency shall be responsible for  
25 securing the funding needed from other sources outside  
26 this program. The commission may not increase the  
27 allocation from this program beyond the amount  
28 specified for the project in Article 5 (commencing with  
29 Section 14556.40) unless the Governor and the  
30 Legislature subsequently designate a higher amount for  
31 the project.

32 (d) If a project can be completed at a lower cost than  
33 expected, any savings shall be divided among all funding  
34 sources contributing to the project in the proportion each  
35 of the funding sources bears to the total funding for the  
36 project as defined in the approved project application.  
37 For the savings that revert to this program, the  
38 commission shall determine the amount to be returned  
39 to the fund.

1 (e) If a determination is made to cease funding for a  
2 project, funds allocated but not expended on any phase  
3 shall be returned to the fund.

4 14556.34. Any agency or combination of agencies that  
5 succeed to an agency having any rights, powers, duties,  
6 or obligations under this chapter, including, but not  
7 limited to, eligibility to apply for, receive, and expend a  
8 grant allocation, shall fully succeed to those rights,  
9 powers, duties, and obligations.

10 14556.36. The commission shall report annually,  
11 starting no later than February 2001, to the Governor and  
12 the Legislature on progress in implementation of the  
13 program. The report shall assess program-wide  
14 implementation progress, and identify project schedules  
15 and delays, project failures, cost savings, and any  
16 opportunities for the specification of additional or  
17 alternative projects for funding. The commission report  
18 may also discuss any significant issues associated with  
19 implementation of the program, and recommend  
20 changes that could improve implementation.

21  
22 Article 5. Eligible Projects  
23

24 14556.40. (a) The following projects are eligible for  
25 grants from the fund for the purposes and amounts  
26 specified:

27 (1) BART to San Jose; extend BART from Fremont to  
28 Downtown San Jose in Santa Clara and Alameda  
29 Counties. Seven hundred twenty-five million dollars  
30 (\$725,000,000). The lead applicant is the Bay Area Rapid  
31 Transit District.

32 (2) Fremont-South Bay Commuter Rail; acquire rail  
33 line and start commuter rail service between Fremont  
34 and San Jose in Santa Clara and Alameda Counties.  
35 Thirty-five million dollars (\$35,000,000). The lead  
36 applicant is the Santa Clara Valley Transportation  
37 Authority.

38 (3) Route 101; widen freeway from four to eight lanes  
39 south of San Jose, Bemal Road to Burnett Avenue in Santa  
40 Clara County. Twenty-five million dollars (\$25,000,000).

1 *The lead applicant is the department or the Santa Clara*  
2 *Valley Transportation Authority.*

3 *(4) Route 680; add northbound HOV lane over Sunol*  
4 *Grade, Milpitas to Route 84 in Santa Clara and Alameda*  
5 *Counties. Sixty million dollars (\$60,000,000). The lead*  
6 *applicant is the department or the Alameda County*  
7 *Congestion Management Agency.*

8 *(5) Route 101; add northbound lane to freeway*  
9 *through San Jose, Route 87 to Trimble Road in Santa Clara*  
10 *County. Five million dollars (\$5,000,000). The lead*  
11 *applicant is the department or the Santa Clara Valley*  
12 *Transportation Authority.*

13 *(6) Route 262; major investment study for cross*  
14 *connector freeway, Route 680 to Route 880 near Warm*  
15 *Springs in Santa Clara County. One million dollars*  
16 *(\$1,000,000). The lead applicant is the department or the*  
17 *Metropolitan Transportation Commission.*

18 *(7) Caltrain; expand service to Gilroy; improve*  
19 *parking, stations, and platforms along UPRR line in Santa*  
20 *Clara County. Fifty-five million dollars (\$55,000,000). The*  
21 *lead applicant is Santa Clara Valley Transportation*  
22 *Authority.*

23 *(8) Route 880; reconstruct Coleman Avenue*  
24 *Interchange near San Jose Airport in Santa Clara County.*  
25 *Five million dollars (\$5,000,000). The lead applicant is the*  
26 *department or the Santa Clara Valley Transportation*  
27 *Authority.*

28 *(9) Capitol Corridor; improve intercity rail line*  
29 *between Oakland and San Jose, and at Jack London*  
30 *Square and Emeryville stations in Alameda and Santa*  
31 *Clara Counties. Twenty-five million dollars (\$25,000,000).*  
32 *The lead applicant is the department or the Capitol*  
33 *Corridor Joint Powers Authority.*

34 *(10) Regional Express Bus; acquire low-emission buses*  
35 *for new express service on HOV lanes regionwide. In nine*  
36 *counties. Forty million dollars (\$40,000,000). The lead*  
37 *applicant is the Metropolitan Transportation*  
38 *Commission.*

39 *(11) San Francisco Bay Southern Crossing; complete*  
40 *feasibility and financial studies for new San Francisco Bay*

1 crossing (new bridge, HOV/Transit bridge or second  
2 BART tube) in Alameda and San Francisco or San Mateo  
3 Counties. Five million dollars (\$5,000,000). The lead  
4 applicant is the department or the Metropolitan  
5 Transportation Commission.

6 (12) Bay Area Transit Connectivity; complete studies  
7 of, and fund related improvements for, the I-580  
8 Livermore Corridor; West Contra Costa County and  
9 Route 4 Corridors in Alameda and Contra Costa Counties.  
10 Seventeen million dollars (\$17,000,000). The lead  
11 applicant for the I-580 study is the Alameda County  
12 Congestion Management Agency; and the Contra Costa  
13 Transportation Authority is the lead applicant for the  
14 West Contra Costa and Route 4 studies.

15 (13) CalTrain Peninsula Corridor; acquire rolling  
16 stock, add passing tracks, and construct pedestrian access  
17 structure at stations between San Francisco and San Jose  
18 in San Francisco, San Mateo, and Santa Clara Counties.  
19 One hundred twenty-seven million dollars  
20 (\$127,000,000). The lead applicant is the Peninsula Joint  
21 Powers Board.

22 (14) CalTrain; extension to Salinas in Monterey  
23 County. Twenty million dollars (\$20,000,000). The lead  
24 applicant is the Transportation Agency for Monterey  
25 County.

26 (15) Route 24; Caldecott Tunnel; add fourth bore  
27 tunnel with additional lanes in Alameda and Contra Costa  
28 Counties. Twenty million dollars (\$20,000,000). The lead  
29 applicant is the department or the Metropolitan  
30 Transportation Commission.

31 (16) Route 4; construct one or more phases of  
32 improvements to widen freeway to eight lanes from  
33 Railroad through Loveridge Road, including two  
34 high-occupancy vehicle lanes, and to six or more lanes  
35 from east of Loveridge Road through Hillcrest.  
36 Thirty-nine million dollars (\$39,000,000). The lead  
37 applicant is the Contra Costa Transportation Authority.

38 (17) Route 101; add reversible HOV lane through San  
39 Rafael, Sir Francis Drake Boulevard to North San Pedro  
40 Road in Marin County. Fifteen million dollars

1 (\$15,000,000). The lead applicant is the department or the  
2 Marin Congestion Management Agency.

3 (18) Route 101; widen eight miles of freeway to six  
4 lanes, Novato to Petaluma (Novato Narrows) in Marin  
5 and Sonoma Counties. Twenty-one million dollars  
6 (\$21,000,000). The lead applicant is the department or the  
7 Sonoma County Transportation Authority.

8 (19) Bay Area Water Transit Authority; establish a  
9 regional water transit system beginning with Treasure  
10 Island in the City and County of San Francisco. Two  
11 million dollars (\$2,000,000). The lead applicant is the Bay  
12 Area Water Transit Authority.

13 (20) San Francisco Muni Third Street Light Rail;  
14 extend Third Street line to Chinatown (tunnel) in the  
15 City and County of San Francisco. One hundred forty  
16 million dollars (\$140,000,000). The lead applicant is the  
17 Municipal Transportation Agency.

18 (21) San Francisco Muni Ocean Avenue Light Rail;  
19 reconstruct Ocean Avenue light rail line to Route 1 near  
20 California State University, San Francisco, in the City and  
21 County of San Francisco. Seven million dollars  
22 (\$7,000,000). The lead applicant is the Municipal  
23 Transportation Agency.

24 (22) Route 101; environmental study for  
25 reconstruction of Doyle Drive, from Lombard  
26 St./Richardson Avenue to Route 1 Interchange in City  
27 and County of San Francisco. Fifteen million dollars  
28 (\$15,000,000). The lead applicant is the department or the  
29 San Francisco County Transportation Authority.

30 (23) CalTrain Peninsula Corridor; complete grade  
31 separations at Poplar Avenue in (Burlingame), 25th  
32 Avenue (San Mateo), and Linden Avenue (South San  
33 Francisco) in San Mateo County. Fifteen million dollars  
34 (\$15,000,000). The lead applicant is the San Mateo County  
35 Transportation Authority.

36 (24) Vallejo Baylink Ferry; acquire low-emission  
37 ferryboats to expand Baylink Vallejo-San Francisco  
38 service in Solano County. Five million dollars  
39 (\$5,000,000). The lead applicant is the City of Vallejo.

- 1 (25) I-80/I-680/Route 12 Interchange in Fairfield in  
2 Solano County; 12 interchange complex in seven stages  
3 (Stage 1). Thirteen million dollars (\$13,000,000). The lead  
4 applicant is the department or the Solano Transportation  
5 Authority.
- 6 (26) ACE Commuter Rail; add siding on UPRR line in  
7 Livermore Valley in Alameda County. One million  
8 dollars (\$1,000,000). The lead applicant is the San Joaquin  
9 Regional Rail Authority.
- 10 (27) Vasco Road Safety and Transit Enhancement  
11 Project in Alameda and Contra Costa Counties. Eleven  
12 million dollars (\$11,000,000). The lead applicant is  
13 Alameda County Congestion Management Authority.
- 14 (28) Parking Structure at Transit Village at Richmond  
15 BART Station in Contra Costa County. Five million  
16 dollars (\$5,000,000). The lead applicant is the Bay Area  
17 Rapid Transit District.
- 18 (29) AC Transit; buy two fuel cell buses and fueling  
19 facility for demonstration project in Alameda and Contra  
20 Costa Counties. Eight million dollars (\$8,000,000). The  
21 lead applicant is the Alameda Contra Costa Transit  
22 District.
- 23 (30) Implementation of commuter rail passenger  
24 service from Cloverdale south to San Rafael and Larkspur  
25 in Marin and Sonoma Counties. Thirty-seven million  
26 dollars (\$37,000,000). The lead applicant is the  
27 Sonoma-Marín Area Transit Authority.
- 28 (31) Route 580; construct eastbound and westbound  
29 HOV lanes from Tassajara Road/Santa Rita Road to Vasco  
30 Road in Alameda County. Twenty-five million dollars  
31 (\$25,000,000). The lead applicant is the department or the  
32 Alameda County Congestion Management Authority.
- 33 (32) North Coast Railroad; repair and upgrade track to  
34 meet Class II (freight) standards in Napa and Humboldt  
35 Counties. Sixty million dollars (\$60,000,000). The lead  
36 applicant is North Coast Rail Authority.
- 37 (33) Bus Transit; acquire low-emission buses for Los  
38 Angeles County MTA bus transit service. One hundred  
39 fifty million dollars (\$150,000,000). The lead applicant is



1 the Los Angeles County Metropolitan Transportation  
2 Authority.

3 (34) Blue Line to Los Angeles; new rail line Pasadena  
4 to Los Angeles in Los Angeles County. Forty million  
5 dollars (\$40,000,000). The lead applicant is the Pasadena  
6 Metro Blue Line Construction Authority.

7 (35) Pacific Surfliner; triple track intercity rail line  
8 within Los Angeles County and add run-through-tracks  
9 through Los Angeles Union Station in Los Angeles  
10 County. One hundred million dollars (\$100,000,000). The  
11 lead applicant is the department.

12 (36) Los Angeles Eastside Transit Extension; build  
13 new light rail line in East Los Angeles, from Union Station  
14 to Atlantic via 1st Street to Lorena in Los Angeles County.  
15 Two hundred thirty-six million dollars (\$236,000,000).  
16 The lead applicant is the Los Angeles County  
17 Metropolitan Transportation Authority.

18 (37) Los Angeles Mid-City Transit Improvements;  
19 build Bus Rapid Transit system or Light Rail Transit in  
20 Mid-City/Westside/Exposition Corridors in Los Angeles  
21 County. Two hundred fifty-six million dollars  
22 (\$256,000,000). The lead applicant is the Los Angeles  
23 County Metropolitan Transportation Authority.

24 (38) Los Angeles-San Fernando Valley Transit  
25 Extension; (A) build an East-West Bus Rapid Transit  
26 system in the Burbank-Chandler corridor, from North  
27 Hollywood to Warner Center. One hundred forty-five  
28 million dollars (\$145,000,000). (B) Build a North-South  
29 corridor bus transit project that interfaces with the  
30 foregoing East-West Burbank-Chandler corridor project  
31 and with the Ventura Boulevard Rapid Bus project. One  
32 hundred million dollars (\$100,000,000). The lead  
33 applicant for both extension projects is the Los Angeles  
34 County Metropolitan Transportation Authority.

35 (39) Route 405; add northbound HOV lane over  
36 Sepulveda Pass, Route 10 to Route 101 in Los Angeles  
37 County. Ninety million dollars (\$90,000,000). The lead  
38 applicant is the department or the Los Angeles County  
39 Metropolitan Transportation Authority.



1 (40) Route 10; add HOV lanes on San Bernardino  
2 Freeway over Kellogg Hill, near Pomona, Route 605 to  
3 Route 57 in Los Angeles County. Ninety million dollars  
4 (\$90,000,000). The lead applicant is the department or the  
5 Los Angeles County Metropolitan Transportation  
6 Authority.

7 (41) Route 5; add HOV lanes on Golden State Freeway  
8 through San Fernando Valley, Route 170 (Hollywood  
9 Freeway) to Route 14 (Antelope Valley Freeway) in Los  
10 Angeles County. Fifty million dollars (\$50,000,000). The  
11 lead applicant is the department or the Los Angeles  
12 County Metropolitan Transportation Authority.

13 (42) Route 5; widen Santa Ana Freeway to 10 lanes  
14 (two HOV + two mixed flow), Orange County line to  
15 Route 710, with related major arterial improvements, in  
16 Los Angeles County. One hundred twenty-five million  
17 dollars (\$125,000,000). The lead applicant is the  
18 department or the Los Angeles County Metropolitan  
19 Transportation Authority.

20 (43) Route 5; improve Carmenita Road Interchange in  
21 Norwalk in Los Angeles County. Seventy-one million  
22 dollars (\$71,000,000). The lead applicant is the  
23 department or the Los Angeles County Metropolitan  
24 Transportation Authority.

25 (44) Route 47 (Terminal Island Freeway); construct  
26 interchange at Ocean Boulevard Overpass in the City of  
27 Long Beach in Los Angeles County. Eighteen million four  
28 hundred thousand dollars (\$18,400,000). The lead  
29 applicant is the Port of Long Beach.

30 (45) Route 710; complete Gateway Corridor Study,  
31 Los Angeles/Long Beach ports to Route 5 in Los Angeles  
32 County. Two million dollars (\$2,000,000). The lead  
33 applicant is the department.

34 (46) Route 1; reconstruct intersection at Route 107 in  
35 Torrance in Los Angeles County. Two million dollars  
36 (\$2,000,000). The lead applicant is the department or the  
37 Los Angeles County Metropolitan Transportation  
38 Authority.

39 (47) Route 101; California Street off-ramp in Ventura  
40 County. Fifteen million dollars (\$15,000,000). The lead

1 applicant is the department or the Ventura County  
2 Transportation Commission.

3 (48) Route 101; corridor analysis and PSR to improve  
4 corridor from Route 170 (North Hollywood Freeway) to  
5 Route 23 in Thousand Oaks (Ventura County) in Los  
6 Angeles and Ventura Counties. Three million dollars  
7 (\$3,000,000). The lead applicant is the department.

8 (49) Hollywood Intermodal Transportation Center;  
9 intermodal facility at Highland Avenue and Hawthorn  
10 Avenue in the City of Los Angeles. Ten million dollars  
11 (\$10,000,000). The lead applicant is the City of Los  
12 Angeles.

13 (50) Route 71; complete three miles of six-lane  
14 freeway through Pomona, from Route 10 to Route 60 in  
15 Los Angeles County. Thirty million dollars (\$30,000,000).  
16 The lead applicant is the department or the Los Angeles  
17 County Metropolitan Transportation Authority.

18 (51) Route 101/405; add auxiliary lane and widen ramp  
19 through freeway interchange in Sherman Oaks in Los  
20 Angeles County. Twenty-one million dollars  
21 (\$21,000,000). The lead applicant is the department or the  
22 Los Angeles County Metropolitan Transportation  
23 Authority.

24 (52) Route 405; add HOV and auxiliary lanes for 1 mile  
25 in West Los Angeles, from Waterford Avenue to Route 10  
26 in Los Angeles County. Twenty-five million dollars  
27 (\$25,000,000). The lead applicant is the department or the  
28 Los Angeles County Metropolitan Transportation  
29 Authority.

30 (53) Automated Signal Corridors (ATSAC); improve  
31 479 automated signals in Victory/Ventura Corridor; and  
32 add 76 new automated signals in Sepulveda Boulevard  
33 and Route 118 Corridors in Los Angeles County. Sixteen  
34 million dollars (\$16,000,000). The lead applicant is the  
35 City of Los Angeles.

36 (54) Alameda Corridor East; build grade separations  
37 on BNSF and UPRR lines, downtown Los Angeles to Los  
38 Angeles County line in Los Angeles County. One  
39 hundred fifty million dollars (\$150,000,000). The lead

1 applicant is the San Gabriel Valley Council of  
2 Governments.

3 (55) Alameda Corridor East; build grade separations  
4 on UPRR line, Los Angeles County line to Colton, with  
5 rail-to-rail separation at Colton in San Bernardino  
6 County. Ninety-five million dollars (\$95,000,000). The  
7 lead applicant is the San Bernadino Associated  
8 Governments.

9 (56) Metrolink; track and signal improvements on  
10 Metrolink; San Bernardino line in San Bernardino  
11 County. Fifteen million dollars (\$15,000,000). The lead  
12 applicant is the Southern California Regional Rail  
13 Authority.

14 (57) Route 215; add HOV lanes through downtown  
15 San Bernardino, Route 10 to Route 30 in San Bernardino  
16 County. Twenty-five million dollars (\$25,000,000). The  
17 lead applicant is the department or the San Bernardino  
18 County Transportation Commission.

19 (58) Route 10; widen freeway to eight-lanes through  
20 Redlands, Route 30 to Ford Street in San Bernardino  
21 County. Ten million dollars (\$10,000,000). The lead  
22 applicant is the department or the San Bernardino  
23 County Transportation Commission.

24 (59) Route 10; Live Oak Canyon Interchange in the  
25 City of Yucaipa in San Bernardino County. Eleven million  
26 dollars (\$11,000,000). The lead applicant is the  
27 department or the San Bernardino County  
28 Transportation Commission.

29 (60) Route 15; southbound truck climbing lane at two  
30 locations in San Bernardino County. Ten million dollars  
31 (\$10,000,000). The lead applicant is the department or the  
32 San Bernardino County Transportation Commission.

33 (61) Route 10;reconstruct Apache Trail Interchange  
34 east of Banning in Riverside County. Thirty million  
35 dollars (\$30,000,000). The lead applicant is the  
36 department or the Riverside County Transportation  
37 Commission.

38 (62) Route 91; add HOV lanes through downtown  
39 Riverside, Mary Street to Route 60/215 junction in  
40 Riverside County. Forty million dollars (\$40,000,000).

1 *The lead applicant is the department or the Riverside*  
2 *County Transportation Commission.*

3 *(63) Route 60; add seven miles of HOV lanes west of*  
4 *Riverside, Route 15 to Valley Way in Riverside County.*  
5 *Twenty-five million dollars (\$25,000,000). The lead*  
6 *applicant is the department or the Riverside County*  
7 *Transportation Commission.*

8 *(64) Route 91; improve the Green River Interchange*  
9 *and add auxiliary lane and connector ramp east of the*  
10 *Green River Interchange to northbound Route 71 in*  
11 *Riverside County. Five million dollars (\$5,000,000). The*  
12 *lead applicant is the department or the Riverside County*  
13 *Transportation Commission.*

14 *(70) Route 22; add HOV lanes on Garden Grove*  
15 *Freeway, Route I-405 to Route 55 in Orange County. Two*  
16 *hundred six million five hundred thousand dollars*  
17 *(\$206,500,000). The lead applicant is the department or*  
18 *the Orange County Transportation Authority.*

19 *(73) Alameda Corridor East; (Orangethorpe*  
20 *Corridor) build grade separations on BNSF line, Los*  
21 *Angeles County line through Santa Ana Canyon in*  
22 *Orange County. Twenty-eight million dollars*  
23 *(\$28,000,000). The lead applicant is the Orange County*  
24 *Transportation Authority.*

25 *(74) Pacific Surfliner; double track intercity rail line*  
26 *within San Diego County, add maintenance yard in San*  
27 *Diego County. Forty-seven million dollars (\$47,000,000).*  
28 *The lead applicant is the department or North Coast*  
29 *Transit District.*

30 *(75) San Diego Transit Buses; acquire about 85*  
31 *low-emission buses for San Diego transit service in San*  
32 *Diego County. Thirty million dollars (\$30,000,000). The*  
33 *lead applicant is the San Diego Metropolitan Transit*  
34 *Development Board.*

35 *(76) Coaster Commuter Rail; acquire one new train*  
36 *set to expand commuter rail in San Diego County.*  
37 *Fourteen million dollars (\$14,000,000). The lead*  
38 *applicant is North County Transit District.*

39 *(77) Route 94; complete environmental studies to add*  
40 *capacity to Route 94 corridor, downtown San Diego to*

1 *Route 125 in Lemon Grove in San Diego County. Twenty*  
2 *million dollars (\$20,000,000). The lead applicant is the*  
3 *department or San Diego Association of Governments.*

4 *(78) East Village access; improve access to light rail*  
5 *from new in-town East Village development in San Diego*  
6 *County. Fifteen million dollars (\$15,000,000). The lead*  
7 *applicant is the San Diego Metropolitan Transit*  
8 *Development Board.*

9 *(79) North County Light Rail; build new 20-mile light*  
10 *rail line from Oceanside to Escondido in San Diego*  
11 *County. Eighty million dollars (\$80,000,000). The lead*  
12 *applicant is North County Transit District.*

13 *(80) Mid-Coast Light Rail; extend Old Town light rail*  
14 *line 6 miles to Balboa Avenue in San Diego County. Ten*  
15 *million dollars (\$10,000,000). The lead applicant is the San*  
16 *Diego Metropolitan Transit Development Board.*

17 *(81) San Diego Ferry; acquire low-emission*  
18 *high-speed ferryboat for new off-coast service between*  
19 *San Diego and Oceanside in San Diego County. Five*  
20 *million dollars (\$5,000,000). The lead applicant is the San*  
21 *Diego Association of Governments.*

22 *(82) Routes 5/805; reconstruct and widen freeway*  
23 *interchange, Genesee Avenue to Del Mar Heights Road*  
24 *in San Diego County. Twenty-five million dollars*  
25 *(\$25,000,000). The lead applicant is the department or the*  
26 *San Diego Association of Governments.*

27 *(83) Route 15; add high-tech managed lane on I-15*  
28 *freeway north of San Diego (Stage 1) from Route 163 to*  
29 *Route 78 in San Diego County. Seventy million dollars*  
30 *(\$70,000,000). The lead applicant is the department or the*  
31 *San Diego Association of Governments.*

32 *(84) Route 52; build four miles of new six-lane freeway*  
33 *to Santee, Mission Gorge to Route 67 in San Diego*  
34 *County. Forty-five million dollars (\$45,000,000). The lead*  
35 *applicant is the department or the San Diego Association*  
36 *of Governments.*

37 *(85) Route 56; construct approximately five miles of*  
38 *new freeway alignment between I-5 and I-15 from*  
39 *Carmel Valley to Rancho Penasquitos in the City of San*  
40 *Diego in San Diego County. Twenty-five million dollars*

1 (\$25,000,000). The lead applicant is the department or the  
2 San Diego Association of Governments.

3 (86) Route 905; build new six-lane freeway on Otay  
4 Mesa, Route 805 to Mexico Port of Entry in San Diego  
5 County. Twenty-five million dollars (\$25,000,000). The  
6 lead applicant is the department or the San Diego  
7 Association of Governments.

8 (87) Routes 94/125; build two new freeway connector  
9 ramps at Route 94/125 in Lemon Grove in San Diego  
10 County. Sixty million dollars (\$60,000,000). The lead  
11 applicant is the department or the San Diego Association  
12 of Governments.

13 (88) Route 5; realign freeway at Virginia Avenue,  
14 approaching San Ysidro Port of Entry to Mexico in San  
15 Diego County. Ten million dollars (\$10,000,000). The lead  
16 applicant is the department or the San Diego Association  
17 of Governments.

18 (89) Route 99; improve Shaw Avenue Interchange in  
19 northern Fresno in Fresno County. Five million dollars  
20 (\$5,000,000). The lead applicant is the department or the  
21 Council of Fresno County Governments.

22 (90) Route 99; widen freeway to six lanes, Kingsburg  
23 to Selma in Fresno County. Twenty million dollars  
24 (\$20,000,000). The lead applicant is the department or the  
25 Council of Fresno County Governments.

26 (91) Route 180; build new expressway east of Clovis,  
27 Clovis Avenue to Temperance Avenue in Fresno County.  
28 Twenty million dollars (\$20,000,000). The lead applicant  
29 is the department or the Council of Fresno County  
30 Governments.

31 (92) San Joaquin Corridor; improve track and signals  
32 along San Joaquin intercity rail line near Hanford in Kings  
33 County. Ten million dollars (\$10,000,000). The lead  
34 applicant is the department.

35 (93) Route 180; complete environmental studies to  
36 extend Route 180 westward from Mendota to I-5 in  
37 Fresno County. Seven million dollars (\$7,000,000). The  
38 lead applicant is the department or the Council of Fresno  
39 County Governments.



1 (94) Route 43; widen to four-lane expressway from  
2 Kings County line to Route 99 in Selma in Fresno County.  
3 Five million dollars (\$5,000,000). The lead applicant is the  
4 department or the Council of Fresno County  
5 Governments.

6 (95) Route 41; add auxiliary lane/operational  
7 improvements and improve ramps at Friant Road  
8 Interchange in Fresno in Fresno County. Ten million  
9 dollars (\$10,000,000). The lead applicant is the  
10 department or the Council of Fresno County  
11 Governments.

12 (96) Friant Road; widen to four lanes from Copper  
13 Avenue to Road 206 in Fresno County. Ten million dollars  
14 (\$10,000,000). The lead applicant is the County of Fresno.

15 (97) Operational improvements on Shaw Avenue,  
16 Chestnut Avenue, Willow Avenue, and Barstow Avenue  
17 near California State University at Fresno in Fresno  
18 County. Ten million dollars (\$10,000,000). The lead  
19 applicant is the Fresno County Transportation Authority.  
20 Of the amount authorized under this paragraph, the sum  
21 of two million dollars (\$2,000,000) shall be transferred to  
22 the California State University at Fresno for the purposes  
23 of funding preliminary plans, working drawings, or both  
24 of those, and related program management costs for the  
25 Fresno Events Center.

26 (98) Peach Avenue; widen to four-lane arterial and  
27 add pedestrian overcrossings for three schools in Fresno  
28 County. Ten million dollars (\$10,000,000). The lead  
29 applicant is the City of Fresno.

30 (99) San Joaquin Corridor; improve track and signals  
31 along San Joaquin intercity rail line in seven counties.  
32 Fifteen million dollars (\$15,000,000). The lead applicant  
33 is the department.

34 (100) San Joaquin Valley Emergency Clean Air  
35 Attainment Program; incentives for the reduction of  
36 emissions from heavy-duty diesel engines operating  
37 within the eight-county San Joaquin Valley region.  
38 Twenty-five million dollars (\$25,000,000). The lead  
39 applicant is the San Joaquin Valley Unified Air Pollution  
40 Control District.



1 (101) Santa Cruz Metropolitan Transit District bus  
2 fleet; acquisition of low-emission buses. Three million  
3 dollars (\$3,000,000). The lead applicant is the Santa Cruz  
4 Metropolitan Transit District.

5 (102) Route 101 access; State Street smart corridor  
6 Advanced Traffic Corridor System (ATSC) technology in  
7 Santa Barbara County. One million three hundred  
8 thousand dollars (\$1,300,000). The lead applicant is the  
9 City of Santa Barbara.

10 (103) Route 99; improve interchange at Seventh  
11 Standard Road, north of Bakersfield in Kern County.  
12 Eight million dollars (\$8,000,000). The lead applicant is  
13 the department or Kern Council of Governments.

14 (104) Route 99; build seven miles of new six-lane  
15 freeway south of Merced, Buchanan Hollow Road to  
16 Healey Road in Merced County. Five million dollars  
17 (\$5,000,000). The lead applicant is the department or the  
18 Merced County Association of Governments.

19 (105) Route 99; build two miles of new six-lane  
20 freeway, Madera County line to Buchanon Hollow Road  
21 in Merced County. Five million dollars (\$5,000,000). The  
22 lead applicant is the department or the Merced County  
23 Association of Governments.

24 (106) UC Merced access; build new arterial Campus  
25 Parkway to new UC Merced campus in Merced County.  
26 Twenty-three million dollars (\$23,000,000). The lead  
27 applicant is the County of Merced.

28 (107) Route 205; widen freeway to six lanes, Tracy to  
29 I-5 in San Joaquin County. Twenty-five million dollars  
30 (\$25,000,000). The lead applicant is the department or the  
31 San Joaquin Council of Governments.

32 (108) Route 5; add northbound lane to freeway  
33 through Mossdale "Y", Route 205 to Route 120 in San  
34 Joaquin County. Seven million dollars (\$7,000,000). The  
35 lead applicant is the department or the San Joaquin  
36 Council of Governments.

37 (109) Route 132; build four miles of new four-lane  
38 expressway in Modesto from Dakota Avenue to Route 99  
39 and improve Route 99 Interchange in Stanislaus County.  
40 Twelve million dollars (\$12,000,000). The lead applicant

1 is the department or the Stanislaus Council of  
2 Governments.

3 (110) Route 132; build 3.5 miles of new four-lane  
4 expressway from Route 33 to the San Joaquin county line  
5 in Stanislaus and San Joaquin Counties. Two million  
6 dollars (\$2,000,000). The lead applicant is the department  
7 or the Stanislaus Council of Governments.

8 (111) Route 198; build 10 miles of new four-lane  
9 expressway from Route 99 to Hanford in Kings and Tulare  
10 Counties. Fourteen million dollars (\$14,000,000). The  
11 lead applicant is the department or the Kings County  
12 Association of Governments.

13 (112) Jersey Avenue; widen from 170' Street to 18th  
14 Street in Kings County. One million five hundred  
15 thousand dollars (\$1,500,000). The lead applicant is Kings  
16 County.

17 (113) Route 46; widen to four lanes for 33 miles from  
18 Route 5 to San Luis Obispo County line in Kern County.  
19 Thirty million dollars (\$30,000,000). The lead applicant is  
20 the department or the Kern Council of Governments.

21 (114) Route 65; add four passing lanes, intersection  
22 improvement, and conduct environmental studies for  
23 ultimate widening to four lanes from Route 99 in  
24 Bakersfield to Tulare County line in Kern County.  
25 Twelve million dollars (\$12,000,000). The lead applicant  
26 is the department or the Kern Council of Governments.

27 (115) South Line Light Rail; extend South Line three  
28 miles towards Elk Grove, from Meadowview Road to  
29 Calvine Road in Sacramento County. Seventy million  
30 dollars (\$70,000,000). The lead applicant is the  
31 Sacramento Regional Transit District.

32 (116) Route 80 Light Rail Corridor; double-track  
33 Route 80 light rail line for express service in Sacramento  
34 County. Twenty-five million dollars (\$25,000,000). The  
35 lead applicant is the Sacramento Regional Transit  
36 District.

37 (117) Folsom Light Rail; extend Folsom light rail line  
38 six miles to Iron Point Road and add three stations in  
39 Sacramento County. Twenty million dollars

1 (\$20,000,000). The lead applicant is the Sacramento  
2 Regional Transit District.

3 (118) Sacramento Emergency Clean  
4 Air/Transportation Plan (SECAT); incentive for the  
5 reduction of emissions from heavy-duty diesel engines  
6 operating within the Sacramento region. Fifty million  
7 dollars (\$50,000,000). The lead applicant is the  
8 Sacramento Area Council of Governments.

9 (119) Convert Sacramento Regional Transit bus fleet  
10 to low emission; acquire approximately 50 replacement  
11 low-emission buses for service in Sacramento and Yolo  
12 Counties. Nineteen million dollars (\$19,000,000). The  
13 lead applicant is the Sacramento Area Council of  
14 Governments and the Yolo Bus Authority.

15 (120) Yuba Airport facility runway extension and  
16 improvements to reduce congestion. One million five  
17 hundred thousand dollars (\$1,500,000). The lead  
18 applicant is the County of Yuba.

19 (121) Metropolitan Bakersfield System Study; to  
20 reduce congestion in the City of Bakersfield. Three  
21 hundred fifty thousand dollars (\$350,000). The lead  
22 applicant is the Kern County Council of Governments.

23 (122) Route 65; widening project from 7th Standard  
24 Road to Route 190 in Porterville. Three million five  
25 hundred thousand dollars (\$3,500,000). The lead  
26 applicant is the County of Tulare.

27 (123) Oceanside Transit Center; parking structure.  
28 One million five hundred thousand dollars (\$1,500,000).  
29 The lead applicant is the City of Oceanside.

30 (125) Route 57; environmental impact report and  
31 study for expansion project. Five million dollars  
32 (\$5,000,000). The lead applicant is the Orange County  
33 Transportation Authority.

34 (126) Route 50/Watt Avenue interchange; widening  
35 of overcrossing and modifications to interchange. Seven  
36 million dollars (\$7,000,000). The lead applicant is the  
37 County of Sacramento.

38 (127) Route 85/Route 87; interchange completion;  
39 addition of two direct connectors for southbound Route  
40 85 to northbound Route 87 and southbound Route 87 to

1 northbound Route 85. Three million five hundred  
2 thousand dollars (\$3,500,000). The lead applicant is the  
3 City of San Jose.  
4 (128) Airport Road; reconstruction and intersection  
5 improvement project. Three million dollars (\$3,000,000).  
6 The lead applicant is the County of Shasta.  
7 (129) Route 62; utility undergrounding project in  
8 right-of-way of Route 62. Three million two hundred  
9 thousand dollars (\$3,200,000). The lead applicant is the  
10 Town of Yucca Valley.  
11 (130) Route 22; connector and widening of  
12 interchange with I-405 to reduce congestion. Three  
13 million five hundred thousand dollars (\$3,500,000). The  
14 lead applicant is the City of Garden Grove.  
15 (131) Bear Valley Road; closure project and Kasota  
16 Road, Route 18 frontage; redesign for safety purposes.  
17 Eight hundred thousand dollars (\$800,000). The lead  
18 applicant is the Town of Apple Valley.  
19 (132) Fairway Drive; grade separation at Union  
20 Pacific railroad project in San Gabriel Valley. Seven  
21 million dollars (\$7,000,000). The lead applicant is the  
22 County of Los Angeles.  
23 (133) Feasibility studies for grade separation projects  
24 for Union Pacific Railroad at Elk Grove Boulevard and  
25 Bond Road. One hundred fifty thousand dollars  
26 (\$150,000). The lead applicant is the City of Elk Grove.  
27 (134) Route 50/Sunrise Boulevard; interchange  
28 modifications. Three million dollars (\$3,000,000). The  
29 lead applicant is the County of Sacramento.  
30 (135) Route 99/Sheldon Road; interchange project;  
31 reconstruction and expansion. Three million dollars  
32 (\$3,000,000). The lead applicant is the County of  
33 Sacramento.  
34 (136) Avenue S; widening between Route 14 and  
35 Route 138. Three million five hundred thousand dollars  
36 (\$3,500,000). The lead applicant is the City of Palmdale.  
37 (137) Fox Field Industrial Corridor; gateway  
38 improvements; widening of Route 14/Avenue H  
39 overcrossing. Five million five hundred thousand dollars  
40 (\$5,500,000). The lead applicant is the City of Lancaster.

1 (138) Cross Valley Rail; upgrade track from Visalia to  
2 Huron. Seven million dollars (\$7,000,000). The lead  
3 applicant is the Cross Valley Rail Corridor Joint Powers  
4 Authority.

5 (139) Balboa Park BART Station; phase I expansion.  
6 Six million dollars (\$6,000,000). The lead applicant is the  
7 San Francisco Bay Area Rapid Transit District.

8 (140) City of Goshen; overpass for Route 99. One  
9 million five hundred thousand dollars (\$1,500,000). The  
10 lead applicant is the department.

11 (141) Union City; pedestrian bridge over Union  
12 Pacific rail lines. Two million dollars (\$2,000,000). The  
13 lead applicant is the City of Union City.

14 (142) West Hollywood; repair, maintenance, and  
15 mitigation of Santa Monica Boulevard. Three million five  
16 hundred thousand dollars (\$3,500,000). The lead  
17 applicant is the City of West Hollywood.

18 (143) Capital Corridor; expand intercity rail service.  
19 One million nine hundred thousand dollars (\$1,900,000).  
20 The lead applicant is the Capital Corridor Joint Powers  
21 Authority.

22 (144) Seismic retrofit of the national landmark Golden  
23 Gate Bridge. Fifty million dollars (\$50,000,000). The lead  
24 applicant is the Golden Gate Bridge, Highway and  
25 Transportation District.

26 (145) Construction of a new siding in Sun Valley  
27 between Sheldon Street and Sunland Boulevard. Six  
28 million five hundred thousand dollars (\$6,500,000). The  
29 lead applicant is the Southern California Regional Rail  
30 Authority.

31 (146) Construction of Palm Drive Interchange. Ten  
32 million dollars (\$10,000,000). The lead applicant is the  
33 Coachella Valley Association of Governments.

34 (147) Project development work for the  
35 reconstruction of the I- 8/Imperial Avenue interchange.  
36 Seven million dollars (\$7,000,000). The lead applicant is  
37 the Imperial Valley Association of Governments.

38 (148) Route 98; widening of 8 miles between Route 111  
39 and Route 7 from two lanes to 4 lanes. Ten million dollars  
40 (\$10,000,000). The lead applicant is the department.

1 (149) Purchase of low-emission buses for express  
2 service on Route 17. Three million seven hundred fifty  
3 thousand dollars (\$3,750,000). The lead applicant is the  
4 Santa Cruz Metropolitan Transit District.

5 (150) Renovation or rehabilitation of Santa Cruz  
6 Metro Center. One million dollars (\$1,000,000). The lead  
7 applicant is the Santa Cruz Metropolitan Transit District.

8 (151) Purchase of 5 alternative fuel buses for the  
9 Pasadena Area Rapid Transit System. One million one  
10 hundred thousand dollars (\$1,100,000). The lead  
11 applicant is the Pasadena Area Rapid Transit System.

12 (152) Pasadena Blue Line transit-oriented mixed-use  
13 development. One million five hundred thousand dollars  
14 (\$1,500,000). The lead applicant is the Los Angeles  
15 County Metropolitan Transportation Authority of the  
16 City of South Pasadena.

17 (153) Pasadena Blue Line utility relocation. Five  
18 hundred fifty thousand dollars (\$550,000). The lead  
19 applicant is the City of South Pasadena.

20 (154) Route 135/I-5 interchange study. One hundred  
21 thousand dollars (\$100,000). The lead applicant is the  
22 department.

23 (155) City of Chula Vista; (A) at its option, to acquire  
24 right-of- way, build, and operate a 10-mile limited access  
25 toll facility from San Miguel Road to Otay Mesa Road.  
26 Eight million six hundred thousand dollars (\$8,600,000).  
27 (B) Of the amount specified, five hundred thousand  
28 dollars (\$500,000) shall be immediately available to the  
29 City of Chula Vista for the purpose of conducting a due  
30 diligence review, including an independent appraisal of  
31 the feasibility of acquisition by a public agency of the  
32 Route 125 franchise agreement authorized under Section  
33 143 of the Streets and Highways Code. The lead applicant  
34 is the City of Chula Vista.

35 (156) Seismic retrofit and core segment  
36 improvements for the Bay Area Rapid Transit system.  
37 Twenty million dollars (\$20,000,000). The lead applicant  
38 is the San Francisco Bay Area Rapid Transit District.

39 (157) Route 12; Congestion relief improvements from  
40 Route 29 to I-80 through Jamison Canyon. Seven million



dollars (\$7,000,000). The lead applicant is the department.

(158) Remodel the intersection of Olympic Boulevard and Lemon Street and install a new traffic signal. Two million dollars (\$2,000,000). The lead applicant is the City of Los Angeles.

(b) As used in this section “route” is a state highway route as identified in Article 3 (commencing with Section 300) of Chapter 2 of Division 1 of the Streets and Highways Code.

#### Article 6. Miscellaneous Provisions

14556.50. The grant authorized under paragraph (32) of subdivision (a) of Section 14556.40 shall be allocated as follows:

(a) (1) Two hundred fifty thousand dollars (\$250,000) to defray the administrative costs of the North Coast Railroad Authority, allocated directly to the authority immediately upon enactment of the Budget Act of 2000.

(2) Two hundred fifty thousand dollars (\$250,000) to defray the administrative costs of the authority, allocated directly to the authority within six months from the date of enactment of the Budget Act of 2000.

(3) Five hundred thousand dollars (\$500,000) to defray the administrative costs of the authority, allocated to the authority as directed by the commission, within one year from the date of enactment of the Budget Act of 2000, if the commission determines that additional funding is needed by the authority for administrative costs.

(b) Six hundred thousand dollars (\$600,000) to fund completion of the authority’s rail line from Lombard to Willits, allocated directly to the authority immediately upon enactment of the Budget Act of 2000.

(c) One million dollars (\$1,000,000) to fund completion of the authority’s rail line from Willits to Arcata, allocated to the authority as directed by the commission, within four months from the date of enactment of the Budget Act of 2000.

1 (d) Five million dollars (\$5,000,000) to fund the  
2 upgrade of the authority's rail line to Class II or III status,  
3 allocated to the authority as directed by the commission.

4 (e) Four million one hundred thousand dollars  
5 (\$4,100,000) for environmental remediation projects,  
6 allocated to the authority as directed by the commission,  
7 within four months from the date of enactment of the  
8 Budget Act of 2000.

9 (f) Ten million dollars (\$10,000,000) for the authority's  
10 debt reduction, allocated to the authority as directed by  
11 the commission, within four months from the date of  
12 enactment of the Budget Act of 2000.

13 (g) One million eight hundred thousand dollars  
14 (\$1,800,000) for use by the authority as local match funds,  
15 allocated to the authority as directed by the commission.

16 (h) Five million five hundred thousand dollars  
17 (\$5,500,000) to fund repayment of the authority's federal  
18 loan obligations, allocated to the authority as directed by  
19 the commission.

20 (i) Thirty-one million dollars (\$31,000,000) for  
21 long-term stabilization projects, allocated to the authority  
22 as directed by the commission.

23 14556.52. Before grants from the fund may be  
24 allocated to any of the three Alameda Corridor East  
25 Projects identified in paragraphs (54), (55), and (73) of  
26 subdivision (a) of Section 14556.40, a report shall be  
27 completed and submitted to the commission within one  
28 year of the operative date of this section. The report shall  
29 be prepared by a team consisting of the lead applicants  
30 for those projects. The report shall address regional  
31 mobility needs as well as regional, state, and national  
32 economic impacts of the corridor. The team shall also  
33 evaluate and assess the technical merits, determine the  
34 phasing and delivery schedule, and identify a financing  
35 strategy for the proposed corridor improvements. The  
36 commission shall allocate some or all of the available  
37 funds to one or more of the lead applicants for specific  
38 projects within the corridor that meet the requirements  
39 under this chapter.

SEC. 7. Section 65080 of the Government Code is amended to read:

65080. (a) Each transportation planning agency designated under Section 29532 or 29532.1 shall prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system, including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement, and aviation facilities and services. The plan shall be action-oriented and pragmatic, considering both the short-term and long-term future, and shall present clear, concise policy guidance to local and state officials. The regional transportation plan shall consider factors specified in Section 134 of Title 23 of the United States Code. Each transportation planning agency shall consider and incorporate, as appropriate, the transportation plans of cities, counties, districts, private organizations, and state and federal agencies.

(b) The regional transportation plan shall include all of the following:

(1) A policy element that describes the transportation issues in the region, identifies and quantifies regional needs, and describes the desired short-range and long-range transportation goals, and pragmatic objective and policy statements. The objective and policy statements shall be consistent with the funding estimates of the financial element.

(2) An action element that describes the programs and actions necessary to implement the plan and assigns implementation responsibilities. The action element may describe all projects proposed for development during the 20-year life of the plan.

The action element shall consider congestion management programming activities carried out within the region.

(3) A financial element that summarizes the cost of plan implementation constrained by a realistic projection of available revenues. The financial element shall also contain recommendations for allocation of funds. A county transportation commission created pursuant to

1 Section 130000 of the Public Utilities Code shall be  
2 responsible for recommending projects to be funded with  
3 regional improvement funds, if the project is consistent  
4 with the regional transportation plan. The first ~~four~~ five  
5 years of the financial element shall be based on the  
6 ~~four-year~~ five-year estimate of funds developed pursuant  
7 to Section 14524. The financial element may recommend  
8 the development of specified new sources of revenue,  
9 consistent with the policy element and action element.

10 (c) Each transportation planning agency shall adopt  
11 and submit, every three years beginning by September  
12 1, 2001, an updated regional transportation plan to the  
13 California Transportation Commission and the  
14 Department of Transportation. The plan shall be  
15 consistent with federal planning and programming  
16 requirements. A transportation planning agency that  
17 does not contain an urbanized area may at its option  
18 adopt and submit a regional transportation plan once  
19 every four years beginning by September 1, 2001. Prior to  
20 adoption of the regional transportation plan, a public  
21 hearing shall be held, after the giving of notice of the  
22 hearing by publication in the affected county or counties  
23 pursuant to Section 6061.

24 *SEC. 8. Section 65082 of the Government Code is*  
25 *amended to read:*

26 65082. (a) (1) A ~~four-year~~ five-year regional  
27 transportation improvement program shall be prepared,  
28 adopted, and submitted to the California Transportation  
29 Commission on or before ~~January 5, 1998, and~~ December  
30 15 of each odd-numbered year thereafter, updated every  
31 two years, pursuant to Sections 65080 and 65080.5 and the  
32 guidelines adopted pursuant to Section 14530.1, to  
33 include regional transportation improvement projects  
34 and programs proposed to be funded, in whole or in part,  
35 in the state transportation improvement program.

36 (2) Major projects shall include current costs updated  
37 as of November 1 of the year of submittal and escalated  
38 to the appropriate year, and be listed by relative priority,  
39 taking into account need, delivery milestone dates, as  
40 defined in Section 14525.5, and the availability of funding.

(b) Except for those counties that do not prepare a congestion management program pursuant to Section 65088.3, congestion management programs adopted pursuant to Section 65089 shall be incorporated into the regional transportation improvement program submitted to the commission by December 15 of each odd-numbered year.

(c) Local projects not included in a congestion management program shall not be included in the regional transportation improvement program. Projects and programs adopted pursuant to subdivision (a) shall be consistent with the capital improvement program adopted pursuant to paragraph (5) of subdivision (b) of Section 65089, and the guidelines adopted pursuant to Section 14530.1.

(d) Other projects may be included in the regional transportation improvement program if listed separately.

(e) Unless a county not containing urbanized areas of over 50,000 population notifies the Department of Transportation by July 1 that it intends to prepare a regional transportation improvement program for that county, the department shall, in consultation with the affected local agencies, prepare the program for all counties for which it prepares a regional transportation plan.

(f) The requirements for incorporating a congestion management program into a regional transportation improvement program specified in this section do not apply in those counties that do not prepare a congestion management program in accordance with Section 65088.3.

(g) The regional transportation improvement program may include a reserve of county shares for providing funds in order to match federal funds.

*SEC. 9. Section 65083 of the Government Code is amended to read:*

65083. As part of implementation of the demonstration program established pursuant to Section 14045 of the Government Code, the regional transportation planning agency preparing the ~~four-year~~

1 *five-year* regional transportation improvement program  
2 pursuant to Section 65082 shall consider those exclusive  
3 mass transit guideway projects where the applicant and  
4 the local entity responsible for land use decisions have  
5 entered into a binding agreement to promote high  
6 density residential development within one-half mile of  
7 a mass transit guideway station. Any project selected by  
8 the agency ~~which~~ *that* is located in a demonstration site  
9 shall be considered for inclusion in the regional  
10 transportation improvement program. This section shall  
11 not preclude the agency from applying the criteria for  
12 making awards ~~which~~ *that* may be required or permitted  
13 pursuant to other provisions of law.

14 *SEC. 10. Section 7102 of the Revenue and Taxation*  
15 *Code is amended to read:*

16 7102. The money in the fund shall, upon order of the  
17 Controller, be drawn therefrom for refunds under this  
18 part, credits or refunds pursuant to Section 60202, and  
19 refunds pursuant to Section 1793.25 of the Civil Code, or  
20 be transferred in the following manner:

21 (a) (1) All revenues, less refunds, derived under this  
22 part at the 4 <sup>3</sup>/<sub>4</sub>-percent rate, including the imposition of  
23 sales and use taxes with respect to the sale, storage, use,  
24 or other consumption of motor vehicle fuel which would  
25 not have been received if the sales and use tax rate had  
26 been 5 percent and if motor vehicle fuel, as defined for  
27 purposes of the Motor Vehicle Fuel License Tax Law  
28 (Part 2 (commencing with Section 7301)), had been  
29 exempt from sales and use taxes, shall be estimated by the  
30 State Board of Equalization, with the concurrence of the  
31 Department of Finance, and shall be transferred  
32 quarterly to the Transportation Planning and  
33 Development Account, a trust fund in the State  
34 Transportation Fund.

35 (2) All revenues, less refunds, derived under this part  
36 at the 4 <sup>3</sup>/<sub>4</sub>-percent rate, resulting from increasing after  
37 December 31, 1989, the rate of tax imposed pursuant to  
38 the Motor Vehicle Fuel License Tax Law on motor  
39 vehicle fuel, as defined for purposes of that law, shall be  
40 transferred quarterly to the Transportation Planning and



1 Development Account, a trust fund in the State  
2 Transportation Fund.

3 (3) All revenues, less refunds, derived under this part  
4 at the  $4\frac{3}{4}$ -percent rate from the imposition of sales and  
5 use taxes on fuel, as defined for purposes of the Use Fuel  
6 Tax Law (Part 3 (commencing with Section 8601)) and  
7 the Diesel Fuel Tax Law (Part 31 (commencing with  
8 Section 60001)), shall be estimated by the State Board of  
9 Equalization, with the concurrence of the Department of  
10 Finance, and shall be transferred quarterly to the  
11 Transportation Planning and Development Account, a  
12 trust fund in the State Transportation Fund.

13 (4) All revenues, less refunds, derived under this part  
14 from a rate of more than  $4\frac{3}{4}$  percent pursuant to  
15 Sections 6051.1 and 6201.1 for the period December 1,  
16 1989, to June 5, 1990, inclusive, shall be transferred to the  
17 Disaster Relief Fund created by Section 16419 of the  
18 Government Code.

19 (5) All revenues, less refunds, derived under this part  
20 from a rate of more than  $4\frac{3}{4}$  percent pursuant to  
21 Sections 6051.1 and 6201.1 for the period June 6, 1990, to  
22 December 31, 1990, inclusive, which is attributable to the  
23 imposition of sales and use taxes with respect to the sale,  
24 storage, use, or other consumption of tangible personal  
25 property other than fuel, as defined for purposes of the  
26 Use Fuel Tax Law (Part 3 (commencing with Section  
27 8601)), shall be transferred to the Disaster Relief Fund  
28 created by Section 16419 of the Government Code.

29 (6) All revenues, less refunds, derived under this part  
30 from a rate of more than  $4\frac{3}{4}$  percent pursuant to  
31 Sections 6051.1 and 6201.1 for the period June 6, 1990, to  
32 December 31, 1990, inclusive, which is attributable to the  
33 imposition of sales and use taxes with respect to the sale,  
34 storage, use, or other consumption of fuel, as defined for  
35 purposes of the Use Fuel Tax Law (Part 3 (commencing  
36 with Section 8601)), shall be transferred to the Disaster  
37 Relief Fund created by Section 16419 of the Government  
38 Code.

39 (7) All revenues, less refunds, derived under this part  
40 from the taxes imposed pursuant to Sections 6051.2 and

1 6201.2 shall be transferred to the Sales Tax Account of the  
2 Local Revenue Fund for allocation to cities and counties  
3 as prescribed by statute.

4 (8) All revenues, less refunds, derived under this part  
5 from the taxes imposed pursuant to Sections 6051.6 and  
6 6201.6 shall be transferred to the Interim Public Safety  
7 Account in the Local Public Safety Fund created in  
8 Section 30051 of the Government Code for allocation to  
9 counties as prescribed by statute.

10 (9) All revenues, less refunds, derived from the taxes  
11 imposed pursuant to Section 35 of Article XIII of the  
12 California Constitution shall be transferred to the Public  
13 Safety Account in the Local Public Safety Fund created  
14 in Section 30051 of the Government Code for allocation  
15 to counties as prescribed by statute.

16 (10) An amount equal to all revenues, less refunds,  
17 derived under this part at a  $4\frac{3}{4}$ -percent rate for the  
18 period between January 1, 1994, and July 1, 1994, from the  
19 increase in sales and use tax revenue attributable to the  
20 increase in the rate of the federal motor vehicle fuel tax  
21 between January 1, 1993, and the rate in effect on January  
22 1, 1994, shall be estimated by the State Board of  
23 Equalization, with the concurrence of the Department of  
24 Finance, and an amount equal to that amount, but not  
25 exceeding seven million five hundred thousand dollars  
26 (\$7,500,000) shall be transferred from the Retail Sales Tax  
27 Fund to the Small Business Expansion Fund created by  
28 Article 5 (commencing with Section 14030) of Chapter 1  
29 of Part 5 of Division 3 of Title 1 of the Corporations Code.

30 *(11) All revenues, less refunds, derived under this part*  
31 *at the 5-percent rate, resulting from the rate of tax*  
32 *imposed pursuant to the Motor Vehicle Fuel License Tax*  
33 *Law (Part 2 (commencing with Section 7301)) on motor*  
34 *vehicle fuel, less the amount transferred pursuant to*  
35 *paragraph (2) of subdivision (a), shall be transferred*  
36 *quarterly to the Traffic Congestion Relief Fund.*

37 *(12) All revenue, less refunds, derived under this part*  
38 *at the 5-percent rate, resulting from the rate of federal*  
39 *motor vehicle fuel tax imposed pursuant to Section 4081*  
40 *of Title 26 of the Internal Revenue Code, shall be*

1 transferred quarterly to the Traffic Congestion Relief  
2 Fund.

3 (13) All revenue, less refunds, derived under this part  
4 at the 5-percent rate, with respect to the sale, storage, use,  
5 or other consumption of motor vehicle fuel, as defined for  
6 purposes of the Motor Vehicle Fuel License Tax Law  
7 (Part 2 (commencing with Section 7301)), other than  
8 that transferred pursuant to paragraph (1), (2), (11), or  
9 (12) of subdivision (a), shall be transferred quarterly to  
10 the Traffic Congestion Relief Fund. In no event shall the  
11 transfer to the Traffic Congestion Relief Fund pursuant  
12 to paragraph (11), (12), and (13) of subdivision (a) of this  
13 section, exceed one hundred twenty-five million dollars  
14 (\$125,000,000) in any quarter.

15 (b) The balance shall be transferred to the General  
16 Fund.

17 (c) The estimates required by subdivision (a) shall be  
18 based on taxable transactions occurring during a calendar  
19 year, and the transfers required by subdivision (a) shall  
20 be made during the fiscal year that commences during  
21 that same calendar year. Transfers required by  
22 paragraphs (1), (2), ~~and (3)~~ (3), (11), (12), and (13) of  
23 subdivision (a) shall be estimated by the State Board of  
24 Equalization, with the concurrence of the Department of  
25 Finance, and shall be made quarterly.

26 (d) Notwithstanding the designation of the  
27 Transportation Planning and Development Account as a  
28 trust fund pursuant to subdivision (a), the Controller may  
29 use the Transportation Planning and Development  
30 Account for loans to the General Fund as provided in  
31 Sections 16310 and 16381 of the Government Code. The  
32 loans shall be repaid with interest from the General Fund  
33 at the Pooled Money Investment Account rate.

34 (e) The Legislature may amend this section, by statute  
35 passed in each house of the Legislature by rollcall vote  
36 entered in the journal, two-thirds of the membership  
37 concurring, if the statute is consistent with, and furthers  
38 the purposes of this section.

1 (f) *The transfers authorized by paragraphs (11), (12),*  
2 *and (13) of subdivision (a) shall be operative for the*  
3 *2000–01 fiscal year only.*

4 (g) *This section shall remain in effect only until June*  
5 *30, 2001, and as of that date is repealed, unless a later*  
6 *enacted statute that is enacted before June 30, 2001,*  
7 *deletes or extends that date.*

8 SEC. 11. *Section 7102 is added to the Revenue and*  
9 *Taxation Code, to read:*

10 7102. *The money in the fund shall, upon order of the*  
11 *Controller, be drawn therefrom for refunds under this*  
12 *part, credits or refunds pursuant to Section 60202, and*  
13 *refunds pursuant to Section 1793.25 of the Civil Code, or*  
14 *be transferred in the following manner:*

15 (a) (1) *All revenues, less refunds, derived under this*  
16 *part at the 4 <sup>3</sup>/<sub>4</sub>-percent rate, including the imposition of*  
17 *sales and use taxes with respect to the sale, storage, use,*  
18 *or other consumption of motor vehicle fuel which would*  
19 *not have been received if the sales and use tax rate had*  
20 *been 5 percent and if motor vehicle fuel, as defined for*  
21 *purposes of the Motor Vehicle Fuel License Tax Law*  
22 *(Part 2 (commencing with Section 7301)), had been*  
23 *exempt from sales and use taxes, shall be estimated by the*  
24 *State Board of Equalization, with the concurrence of the*  
25 *Department of Finance, and shall be transferred*  
26 *quarterly to the Transportation Planning and*  
27 *Development Account, a trust fund in the State*  
28 *Transportation Fund.*

29 (2) *All revenues, less refunds, derived under this part*  
30 *at the 4 <sup>3</sup>/<sub>4</sub>-percent rate, resulting from increasing, after*  
31 *December 31, 1989, the rate of tax imposed pursuant to*  
32 *the Motor Vehicle Fuel License Tax Law on motor*  
33 *vehicle fuel, as defined for purposes of that law, shall be*  
34 *transferred quarterly to the Transportation Planning and*  
35 *Development Account, a trust fund in the State*  
36 *Transportation Fund.*

37 (3) *All revenues, less refunds, derived under this part*  
38 *at the 4 <sup>3</sup>/<sub>4</sub>-percent rate from the imposition of sales and*  
39 *use taxes on fuel, as defined for purposes of the Use Fuel*  
40 *Tax Law (Part 3 (commencing with Section 8601)) and*

1 the Diesel Fuel Tax Law (Part 31 (commencing with  
2 Section 60001)), shall be estimated by the State Board of  
3 Equalization, with the concurrence of the Department of  
4 Finance, and shall be transferred quarterly to the  
5 Transportation Planning and Development Account, a  
6 trust fund in the State Transportation Fund.

7 (4) All revenues, less refunds, derived under this part  
8 from a rate of more than  $4\frac{3}{4}$  percent pursuant to Sections  
9 6051.1 and 6201.1 for the period December 1, 1989, to June  
10 5, 1990, inclusive, shall be transferred to the Disaster  
11 Relief Fund created by Section 16419 of the Government  
12 Code.

13 (5) All revenues, less refunds, derived under this part  
14 from a rate of more than  $4\frac{3}{4}$  percent pursuant to Sections  
15 6051.1 and 6201.1 for the period June 6, 1990, to December  
16 31, 1990, inclusive, which is attributable to the imposition  
17 of sales and use taxes with respect to the sale, storage, use,  
18 or other consumption of tangible personal property other  
19 than fuel, as defined for purposes of the Use Fuel Tax Law  
20 (Part 3 (commencing with Section 8601)), shall be  
21 transferred to the Disaster Relief Fund created by  
22 Section 16419 of the Government Code.

23 (6) All revenues, less refunds, derived under this part  
24 from a rate of more than  $4\frac{3}{4}$  percent pursuant to Sections  
25 6051.1 and 6201.1 for the period June 6, 1990, to December  
26 31, 1990, inclusive, which is attributable to the imposition  
27 of sales and use taxes with respect to the sale, storage, use,  
28 or other consumption of fuel, as defined for purposes of  
29 the Use Fuel Tax Law (Part 3 (commencing with Section  
30 8601)), shall be transferred to the Disaster Relief Fund  
31 created by Section 16419 of the Government Code.

32 (7) All revenues, less refunds, derived under this part  
33 from the taxes imposed pursuant to Sections 6051.2 and  
34 6201.2 shall be transferred to the Sales Tax Account of the  
35 Local Revenue Fund for allocation to cities and counties  
36 as prescribed by statute.

37 (8) All revenues, less refunds, derived under this part  
38 from the taxes imposed pursuant to Sections 6051.6 and  
39 6201.6 shall be transferred to the Interim Public Safety  
40 Account in the Local Public Safety Fund created in

1 Section 30051 of the Government Code for allocation to  
2 counties as prescribed by statute.

3 (9) All revenues, less refunds, derived from the taxes  
4 imposed pursuant to Section 35 of Article XIII of the  
5 California Constitution shall be transferred to the Public  
6 Safety Account in the Local Public Safety Fund created  
7 in Section 30051 of the Government Code for allocation  
8 to counties as prescribed by statute.

9 (10) An amount equal to all revenues, less refunds,  
10 derived under this part at a  $4\frac{3}{4}$  percent rate for the  
11 period between January 1, 1994, and July 1, 1994, from the  
12 increase in sales and use tax revenue attributable to the  
13 increase in the rate of the federal motor vehicle fuel tax  
14 between January 1, 1993, and the rate in effect on January  
15 1, 1994, shall be estimated by the State Board of  
16 Equalization, with the concurrence of the Department of  
17 Finance, and an amount equal to that amount, but not  
18 exceeding seven million five hundred thousand dollars  
19 (\$7,500,000) shall be transferred from the Retail Sales Tax  
20 Fund to the Small Business Expansion Fund created by  
21 Article 5 (commencing with Section 14030) of Chapter 1  
22 of Part 5 of Division 3 of Title I of the Corporations Code.

23 (b) The balance shall be transferred to the General  
24 Fund.

25 (c) The estimates required by subdivision (a) shall be  
26 based on taxable transactions occurring during a calendar  
27 year, and the transfers required by subdivision (a) shall  
28 be made during the fiscal year that commences during  
29 that same calendar year. Transfers required by  
30 paragraphs (1), (2), and (3) of subdivision (a) shall be  
31 estimated by the State Board of Equalization, with the  
32 concurrence of the Department of Finance, and shall be  
33 made quarterly.

34 (d) Notwithstanding the designation of the  
35 Transportation Planning and Development Account as a  
36 trust fund pursuant to subdivision (a), the Controller may  
37 use the Transportation Planning and Development  
38 Account for loans to the General Fund as provided in  
39 Sections 16310 and 16381 of the Government Code. The



1 loans shall be repaid with interest from the General Fund  
2 at the Pooled Money Investment Account rate.

3 (e) The Legislature may amend this section, by statute  
4 passed in each house of the Legislature by rollcall vote  
5 entered in the journal, two-thirds of the membership  
6 concurring, if the statute is consistent with, and furthers  
7 the purposes of this section.

8 (f) This section shall become operative on June 30,  
9 2001.

10 SEC 11.5. Section 7104 is added to the Revenue and  
11 Taxation Code, to read:

12 7104. (a) The Transportation Investment Fund  
13 (hereafter the fund) is hereby created in the State  
14 Treasury.

15 (b) All of the following shall occur on a quarterly basis:

16 (1) The State Board of Equalization, in consultation  
17 with the Department of Finance, shall estimate the  
18 amount that is transferred to the General Fund under  
19 subdivision (b) of Section 7102 that is attributable to  
20 revenue collected for the sale, storage, use, or other  
21 consumption in this state of motor vehicle fuel, as defined  
22 in Section 7304.

23 (2) The State Board of Equalization shall inform the  
24 Controller, in writing, of the amount estimated under  
25 paragraph (1).

26 (3) The Controller shall transfer the amount  
27 estimated under paragraph (1) from the General Fund  
28 to the fund.

29 (c) For each quarter during the period commencing  
30 on July 1, 2001, and ending on June 30, 2006, the Controller  
31 shall make all of the following transfers from the fund in  
32 the following order:

33 (1) To the Transportation Congestion Relief Fund  
34 created in the State Treasury by Section 14556.5 of the  
35 Government Code, the sum of one hundred sixty-nine  
36 million five hundred thousand dollars (\$169,500,000), for  
37 a total transfer of three billion three hundred ninety  
38 million dollars (\$3,390,000,000).

39 (2) To the Public Transportation Account, a trust fund  
40 in the State Transportation Fund, 20 percent of the

1 amount remaining after the transfer required under  
2 paragraph (1). Funds transferred under this paragraph  
3 shall be appropriated by the Legislature as follows:

4 (A) To the Department of Transportation, 50 percent  
5 for purposes of subdivision (a) or (b) of Section 99315 of  
6 the Public Utilities Code.

7 (B) To the Controller, 25 percent for allocation  
8 pursuant to Section 99314 of the Public Utilities Code.  
9 Funds allocated under this subparagraph shall be subject  
10 to all of the provisions governing funds allocated under  
11 Section 99314 of the Public Utilities Code.

12 (C) To the Controller, 25 percent for allocation  
13 pursuant to Section 99313 of the Public Utilities Code.  
14 Funds allocated under this subparagraph shall be subject  
15 to all of the provisions governing funds allocated under  
16 Section 99313 of the Public Utilities Code.

17 (3) To the Department of Transportation for  
18 programming for transportation capital improvement  
19 projects subject to all of the provisions governing the  
20 State Transportation Improvement Program, 40 percent  
21 of the amount remaining after the transfer required  
22 under paragraph (1).

23 (4) To the counties, including a city and county, 20  
24 percent of the amount remaining after the transfer  
25 required under paragraph (1), in accordance with the  
26 following formulas:

27 (A) Seventy-five percent of the funds payable under  
28 this paragraph shall be apportioned among the counties  
29 in the proportion that the number of fee-paid and exempt  
30 vehicles that are registered in the county bears to the  
31 number of fee-paid and exempt vehicles registered in the  
32 state.

33 (B) Twenty-five percent of the funds payable under  
34 this paragraph shall be apportioned among the counties  
35 in the proportion that the number of miles of maintained  
36 county roads in each county bears to the total number of  
37 miles of maintained county roads in the state. For the  
38 purposes of apportioning funds under this subparagraph,  
39 any roads within the boundaries of a city and county that

1 are not state highways shall be deemed to be county  
2 roads.

3 (5) To cities, including a city and county, 20 percent of  
4 the amount remaining after the transfer required under  
5 paragraph (1). Fund transferred under this paragraph  
6 shall be apportioned among the cities in the proportion  
7 that the total population of the city bears to the total  
8 population of all the cities in the state.

9 (d) Funds received under paragraphs (4) and (5) of  
10 subdivision (c) shall be deposited as follows in order to  
11 avoid the commingling of those funds with other local  
12 funds:

13 (1) In the case of a city, into the city account that is  
14 designated for the receipt of state funds allocated for  
15 transportation purposes.

16 (2) In the case of a county, into the county road fund.

17 (3) In the case of a city and county, into a local account  
18 that is designated for the receipt of state funds allocated  
19 for transportation purposes.

20 (e) Funds allocated to a city, county, or city and  
21 county under this section shall be used only for street and  
22 highway maintenance, rehabilitation, reconstruction,  
23 and storm damage repair. For purposes of this section, the  
24 following terms have the following meanings:

25 (1) "Maintenance" means either or both of the  
26 following:

27 (A) Patching.

28 (B) Overlay and sealing.

29 (2) "Reconstruction" includes any overlay, sealing, or  
30 widening of the roadway, if the widening is necessary to  
31 bring the roadway width to the desirable minimum width  
32 consistent with the geometric design criteria of the  
33 department for 3R (reconstruction, resurfacing, and  
34 rehabilitation) projects that are not on a freeway, but  
35 does not include widening for the purpose of increasing  
36 the traffic capacity of a street or highway.

37 (3) "Storm damage repair" is repair or reconstruction  
38 of local streets and highways and related drainage  
39 improvements that have been damaged due to winter  
40 storms and flooding, and construction of drainage

1 *improvements to mitigate future roadway flooding and*  
2 *damage problems, in those jurisdictions that have been*  
3 *declared disaster areas by the President of the United*  
4 *States.*

5 *(f) (1) Cities and counties shall maintain their*  
6 *existing commitment of local funds for street and*  
7 *highway maintenance, rehabilitation, reconstruction,*  
8 *and storm damage repair in order to remain eligible for*  
9 *the allocation of funds pursuant to paragraph (4) or (5)*  
10 *of subdivision (c).*

11 *(2) In order to receive any allocation pursuant to*  
12 *paragraph (4) or (5) of subdivision (c), the city or county*  
13 *shall annually expend from its general fund for street,*  
14 *road, and highway purposes an amount not less than the*  
15 *annual average of its expenditures from its general fund*  
16 *during the 1996–97, 1997–98, and 1998–99 fiscal years, as*  
17 *reported to the Controller pursuant to Section 2151 of the*  
18 *Streets and Highways Code. For purposes of this*  
19 *paragraph, in calculating a city’s or county’s annual*  
20 *general fund expenditures and its average general fund*  
21 *expenditures for the 1996–97, 1997–98, and 1998–99 fiscal*  
22 *years, any unrestricted funds that the city or county may*  
23 *expend at its discretion, including vehicle in-lieu tax*  
24 *revenues and revenues from fines and forfeitures,*  
25 *expended for street and highway purposes shall be*  
26 *considered expenditures from the general fund.*  
27 *One-time allocations that have been expended for street*  
28 *and highway purposes, but which may not be available on*  
29 *an ongoing basis, including revenue provided under the*  
30 *Teeter Plan Bond Law of 1994 (Chapter 6.6*  
31 *(commencing with Section 54773) of Part 1 of Division 2*  
32 *of Title 5 of the Government Code, may not be*  
33 *considered when calculating a city’s or county’s annual*  
34 *general fund expenditures.*

35 *(3) For purposes of paragraph (1), the Controller may*  
36 *request fiscal data from cities and counties, in addition to*  
37 *data provided pursuant to Section 2151, for the 1996–97,*  
38 *1997–98, and 1998–99 fiscal years. Each city and county*  
39 *shall furnish the data to the Controller not later than 120*  
40 *days after receiving the request. The Controller may*

1 withhold payment to cities and counties that do not  
2 comply with the request for information or that provide  
3 incomplete data.

4 (4) At the conclusion of each fiscal year during which  
5 a city or county receives funding under paragraph (4) or  
6 (5) of subdivision (c), the Controller shall verify the city's  
7 or county's compliance with paragraph (1). Any city or  
8 county that has not complied with paragraph (1) shall  
9 reimburse the state for the funds it received during that  
10 fiscal year. Any funds withheld or returned as a result of  
11 a failure to comply with paragraph (1) shall be  
12 reallocated to the other counties and cities whose  
13 expenditures are in compliance.

14 (5) If a city or county fails to comply with the  
15 requirements of paragraph (1) in a particular fiscal year,  
16 the city or county may expend during that fiscal year and  
17 the following fiscal year a total amount that is not less than  
18 the total amount required to be expended for those fiscal  
19 years for purposes of complying with paragraph (1).

20 (6) The allocation made under paragraph (4) or (5) of  
21 subdivision (c) shall be expended not later than the end  
22 of the fiscal year following the fiscal year in which the  
23 allocation was made, and any funds not expended within  
24 that period shall be returned to the Controller and shall  
25 be reallocated to the other cities and counties pursuant to  
26 the allocation formulas set forth in paragraph (4) or (5)  
27 of subdivision (c).

28 (g) The Los Angeles County Metropolitan  
29 Transportation Authority shall give first priority for using  
30 its share of the funds made available under subparagraphs  
31 (B) and (C) of paragraph (2) of subdivision (c) to  
32 providing the levels of bus service mandated under the  
33 consent decree entered into by the authority on October  
34 29, 1996, in the case of Labor/Community Strategy  
35 Center, et al. v. Los Angeles County Metropolitan  
36 Transportation Authority.

37 (h) This section shall become inoperative on June 30,  
38 2006, and, as of January 1, 2007, is repealed, unless a later  
39 enacted statute that is enacted before January 1, 2007,

1 *deletes or extends the dates on which it becomes*  
2 *inoperative and is repealed.*

3 *SEC. 12. Section 10754.2 is added to the Revenue and*  
4 *Taxation Code, to read:*

5 *10754.2. Notwithstanding any other provision law,*  
6 *any General Fund forecast of revenues used for purposes*  
7 *of paragraphs (2) to (15), inclusive, of subdivision (b) of*  
8 *Section 10754 may not include any revenue loss due to the*  
9 *amendments to Section 7102 made by the act adding this*  
10 *section. Notwithstanding paragraph (4) of subdivision*  
11 *(c) of Section 10754 any revenue loss due to the*  
12 *amendments to Section 7102 made by Section 10 of the act*  
13 *adding this section may not be used by the Department*  
14 *of Finance to modify the offsets set forth in paragraphs*  
15 *(2) to (15), inclusive, of subdivision (b) of Section 10754.*

16 *SEC. 13. Section 164.6 of the Streets and Highways*  
17 *Code is amended to read:*

18 *164.6. (a) The department shall prepare a 10-year*  
19 *state rehabilitation plan for the rehabilitation and*  
20 *reconstruction, or the combination thereof, of all state*  
21 *highways and bridges owned by the state. The plan shall*  
22 *identify all rehabilitation needs for the 10-year period*  
23 *beginning on July 1, 1998, and ending on June 30, 2008,*  
24 *and shall include a schedule of improvements to*  
25 *complete all needed rehabilitation not later than June 30,*  
26 *2008. The plan shall be updated every two years*  
27 *beginning in 2000. The plan shall include specific*  
28 *milestones and quantifiable accomplishments, such as*  
29 *miles of highways to be repaved and number of bridges*  
30 *to be retrofitted. The plan shall contain strategies to*  
31 *control cost and improve the efficiency of the program,*  
32 *and include a cost estimate for at least the first ~~four~~ five*  
33 *years of the program.*

34 *(b) The plan shall be submitted to the commission for*  
35 *review and comments and shall be transmitted to the*  
36 *Governor and the Legislature not later than May 1, 1998.*

37 *(c) The plan shall be the basis for the department's*  
38 *budget request and for the adoption of fund estimates*  
39 *pursuant to Section 163.*



1     *SEC. 14. Section 182.6 of the Streets and Highways*  
2     *Code is amended to read:*

3     182.6. (a) Notwithstanding Sections 182 and 182.5,  
4     Sections 188, 188.8, and 825 do not apply to the  
5     expenditure of an amount of federal funds equal to the  
6     amount of federal funds apportioned to the state pursuant  
7     to that portion of subsection (b)(3) of Section 104,  
8     subsections (a) and (c) of Section 157, and subsection (d)  
9     of Section 160 of Title 23 of the United States Code which  
10    is allocated within the state subject to subsection (d)(3)  
11    of Section 133 of that code. These funds shall be known as  
12    the regional surface transportation program funds. The  
13    department, the transportation planning agencies, the  
14    county transportation commissions, and the metropolitan  
15    planning organizations may do all things necessary in  
16    their jurisdictions to secure and expend those federal  
17    funds in accordance with the intent of federal law and this  
18    chapter.

19    (b) The regional surface transportation program  
20    funds shall be apportioned by the department to the  
21    metropolitan planning organizations designated  
22    pursuant to Section 134 of Title 23 of the United States  
23    Code and, in areas where none has been designated, to  
24    the transportation planning agency designated pursuant  
25    to Section 29532 of the Government Code. The funds shall  
26    be apportioned in the manner and in accordance with the  
27    formula set forth in subsection (d)(3) of Section 133 of  
28    Title 23 of the United States Code, except that the  
29    apportionment shall be among all areas of the state.  
30    Funds apportioned under this subdivision shall remain  
31    available for three federal fiscal years, including the  
32    federal fiscal year apportioned.

33    (c) Where county transportation commissions have  
34    been created by Division 12 (commencing with Section  
35    130000) of the Public Utilities Code, all regional surface  
36    transportation program funds shall be further  
37    apportioned by the metropolitan planning organization  
38    to the county transportation commission on the basis of  
39    relative population.

1 In the Monterey Bay region, all regional surface  
2 transportation program funds shall be further  
3 apportioned, on the basis of relative population, by the  
4 metropolitan planning organization to the regional  
5 transportation planning agencies designated under  
6 subdivision (b) of Section 29532 of the Government Code.

7 (d) The applicable metropolitan planning  
8 organization, county transportation commission, or  
9 transportation planning agency shall annually apportion  
10 the regional surface transportation program funds for  
11 projects in each county, as follows:

12 (1) An amount equal to the amount apportioned  
13 under the federal-aid urban program in federal fiscal year  
14 1990–91 adjusted for population. The adjustment for  
15 population shall be based on the population determined  
16 in the 1990 federal census except that no county shall be  
17 apportioned less than 110 percent of the apportionment  
18 received in the 1990–91 fiscal year. These funds shall be  
19 apportioned for projects implemented by cities, counties,  
20 and other transportation agencies on a fair and equitable  
21 basis based upon an annually updated five-year average  
22 of allocations. Projects shall be nominated by cities,  
23 counties, transit operators, and other public  
24 transportation agencies through a process that directly  
25 involves local government representatives.

26 (2) An amount not less than 110 percent of the amount  
27 that the county was apportioned under the federal-aid  
28 secondary program in federal fiscal year 1990–91, for use  
29 by that county.

30 (e) The department shall notify each metropolitan  
31 planning organization, county transportation  
32 commission, and transportation planning agency  
33 receiving an apportionment under this section, as soon as  
34 possible each year, of the amount of obligation authority  
35 estimated to be available for program purposes. The  
36 metropolitan planning organization and transportation  
37 planning agency, in cooperation with the department,  
38 congestion management agencies, cities, counties, and  
39 affected transit operators, shall select and program  
40 projects in conformance with federal law. The

1 metropolitan planning organization and transportation  
2 planning agency shall submit its transportation  
3 improvement program prepared pursuant to Section 134  
4 of Title 23 of the United States Code to the department  
5 for incorporation into the state transportation  
6 improvement program not later than August 1 of each  
7 even-numbered year beginning in 1994.

8 (f) Not later than July 1 of each year, the metropolitan  
9 planning organizations, and the regional transportation  
10 planning agencies, receiving obligational authority under  
11 this article shall notify the department of the projected  
12 amount of obligational authority that each entity intends  
13 to use during the remainder of the current federal fiscal  
14 year, including, but not limited to, a list of projects that  
15 will be obligated by the end of the current federal fiscal  
16 year. Any federal obligational authority that will not be  
17 used shall be redistributed by the department to other  
18 projects in a manner that ensures that the state will  
19 continue to compete for and receive increased  
20 obligational authority during the federal redistribution of  
21 obligational authority. If the department does not have  
22 sufficient federal apportionments to fully use excess  
23 obligational authority, the metropolitan planning  
24 organizations or regional transportation planning  
25 agencies relinquishing obligational authority shall make  
26 sufficient apportionments available to the department to  
27 fund alternate projects, when practical, within the  
28 geographical areas relinquishing the obligational  
29 authority. Notwithstanding this subdivision, the  
30 department shall comply with subsections (d)(3) and (f)  
31 of Section 133 of Title 23 of the United States Code.

32 (g) A regional transportation planning agency that is  
33 not designated as, nor represented by, a metropolitan  
34 planning organization with an urbanized area population  
35 greater than 200,000 pursuant to the 1990 federal census  
36 may exchange its annual apportionment received  
37 pursuant to this section on a dollar-for-dollar basis for  
38 nonfederal State Highway Account funds, which shall be  
39 apportioned in accordance with subdivision (d).

(h) (1) If a regional transportation planning agency described in subdivision (g) does not elect to exchange its annual apportionment, a county located within the boundaries of that regional transportation planning agency may elect to exchange its annual apportionment received pursuant to paragraph (2) of subdivision (d) for nonfederal State Highway Account funds.

(2) A county not included in a regional transportation planning agency described in subdivision (g), whose apportionment pursuant to paragraph (2) of subdivision (d) was less than 1 percent of the total amount apportioned to all counties in the state may exchange its apportionment for nonfederal State Highway Account funds. If the apportionment to the county was more than  $3\frac{1}{2}$  percent of the total apportioned to all counties in the state, it may exchange that portion of its apportionment in excess of  $3\frac{1}{2}$  percent for nonfederal State Highway Account funds. Exchange funds received by a county pursuant to this section may be used for any transportation purpose.

(i) The department shall be responsible for closely monitoring the use of federal transportation funds, including regional surface transportation program funds to assure full and timely use. The department shall prepare a quarterly report for submission to the commission regarding the progress in use of all federal transportation funds. The department shall notify the commission and the appropriate implementation agency whenever there is a failure to use federal funds within the three-year apportionment period established under subdivision (b).

(j) The department shall provide written notice to implementing agencies when there is one year remaining within the three-year apportionment period established under subdivision (b) of this section.

(k) Within six months of the date of notification required under subdivision (j), the implementing agency shall provide to the department a plan to obligate funds that includes, but need not be limited to, a list of projects and milestones.

(l) If the implementing agency has not met the milestones established in the implementation plan required under subdivision (k), prior to the end of the three-year apportionment period established under subdivision (b), the commission shall redirect those funds for use on other transportation projects in the state.

*(m) Notwithstanding subdivisions (g) and (h), regional surface transportation program funds available under this section exchanged pursuant to Section 182.8 may be loaned to and expended by the department. The department shall repay to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under Section 182.8 as they are received from the Federal Highway Administration.*

SEC. 15. Section 182.7 of the Streets and Highways Code is amended to read:

182.7. (a) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8, and 825 do not apply to the expenditure of an amount of federal funds equal to the amount of federal funds apportioned to the state pursuant to subsection (b)(2) of Section 104 of Title 23 of the United States Code. These funds shall be known as the congestion mitigation and air quality program funds and shall be expended in accordance with Section 19 of Title 3 of the United States Code. The department, the transportation planning agencies, and the metropolitan planning organizations may do all things necessary in their jurisdictions to secure and expend those federal funds in accordance with the intent of federal law and this chapter.

(b) The congestion mitigation and air quality program funds, including any funds to which subsection (c) of Section 110 of Title 23 of the United States Code, as added by subdivision (a) of Section 1310 of Public Law 105-178, applies, shall be apportioned by the department to the metropolitan planning organizations designated pursuant to Section 134 of Title 23 of the United States Code and, in areas where none has been designated, to the transportation planning agency established by Section 29532 of the Government Code. The funds shall

1 be apportioned to metropolitan planning organizations  
2 and transportation planning agencies responsible for air  
3 quality conformity determinations in federally  
4 designated air quality nonattainment and maintenance  
5 areas within the state in the manner and in accordance  
6 with the formula set forth in subsection (b)(2) of Section  
7 104 of Title 23 of the United States Code. Funds  
8 apportioned under this subdivision shall remain available  
9 for three federal fiscal years, including the federal fiscal  
10 year apportioned.

11 (c) Notwithstanding subdivision (b), where county  
12 transportation commissions have been created by  
13 Division 12 (commencing with Section 130000) of the  
14 Public Utilities Code, all congestion mitigation and air  
15 quality program funds shall be further apportioned by the  
16 metropolitan planning organization to the county  
17 transportation commission on the basis of relative  
18 population within the federally designated air quality  
19 nonattainment and maintenance areas after first  
20 apportioning to the nonattainment and maintenance  
21 areas in the manner and in accordance with the formula  
22 set forth in subsection (b)(2) of Section 104 of Title 23 of  
23 the United States Code.

24 In the Monterey Bay region, all congestion mitigation  
25 and air quality improvement program funds shall be  
26 further apportioned, on the basis of relative population,  
27 by the metropolitan planning organization to the  
28 regional transportation planning agencies designated  
29 under subdivision (b) of Section 29532 of the  
30 Government Code.

31 (d) The department shall notify each metropolitan  
32 planning organization, transportation planning agency,  
33 and county transportation commission receiving an  
34 apportionment under this section, as soon as possible each  
35 year, of the amount of obligational authority estimated to  
36 be available for expenditure from the federal  
37 apportionment. The metropolitan planning  
38 organizations, transportation planning agencies, and  
39 county transportation commissions, in cooperation with  
40 the department, congestion management agencies, cities



1 and counties, and affected transit operators, shall select  
2 and program projects in conformance with federal law.  
3 Each metropolitan planning organization and  
4 transportation planning agency shall, not later than  
5 August 1 of each even-numbered year beginning in 1994,  
6 submit its transportation improvement program  
7 prepared pursuant to Section 134 of Title 23 of the United  
8 States Code to the department for incorporation into the  
9 state transportation improvement program.

10 (e) Not later than July 1 of each year, the metropolitan  
11 planning organizations and the regional transportation  
12 planning agencies receiving obligational authority under  
13 this section, shall notify the department of the projected  
14 amount of obligational authority that each entity intends  
15 to use during the remainder of the current federal fiscal  
16 year, including, but not limited to, a list of projects that  
17 will use the obligational authority. Any federal  
18 obligational authority that will not be used shall be  
19 redistributed by the department to other projects in a  
20 manner that ensures that the state will continue to  
21 compete for and receive increased obligational authority  
22 during the federal redistribution of obligational  
23 authority. If the department does not have sufficient  
24 federal apportionments to fully use excess obligational  
25 authority, the metropolitan planning organization or  
26 transportation planning agency relinquishing  
27 obligational authority shall make sufficient  
28 apportionments available to the department to fund  
29 alternate projects, when practical, within the  
30 geographical areas relinquishing the obligational  
31 authority. Notwithstanding this subdivision, the  
32 department shall comply with subsection (f) of Section  
33 133 of Title 23 of the United States Code.

34 (f) The department shall be responsible for closely  
35 monitoring the use of federal transportation funds,  
36 including congestion management and air quality funds  
37 to assure full and timely use. The department shall  
38 prepare a quarterly report for submission to the  
39 commission regarding the progress in use of all federal  
40 transportation funds. The department shall notify the

1 commission and the appropriate implementation agency  
2 whenever there is a failure to use federal funds within the  
3 three-year apportionment period established under  
4 subdivision (b).

5 (g) The department shall provide written notice to  
6 implementing agencies when there is one year remaining  
7 within the three-year apportionment period established  
8 under subdivision (b) of this section.

9 (h) Within six months of the date of notification  
10 required under subdivision (g), the implementing  
11 agency shall provide to the department a plan to obligate  
12 funds that includes, but need not be limited to, a list of  
13 projects and milestones.

14 (i) If the implementing agency has not met the  
15 milestones established in the implementation plan  
16 required under subdivision (h) above, prior to the end of  
17 the three-year apportionment period established under  
18 subdivision (b), the commission shall redirect those funds  
19 for use on other transportation projects in the state.

20 (j) *Congestion mitigation and air quality program*  
21 *funds available under this section exchanged pursuant to*  
22 *Section 182.8 may be loaned to and expended by the*  
23 *department. The department shall repay to the Traffic*  
24 *Congestion Relief Fund all funds received as federal*  
25 *reimbursements for funds exchanged under Section 182.8*  
26 *as they are received from the Federal Highway*  
27 *Administration.*

28 *SEC. 16. Section 182.8 is added to the Streets and*  
29 *Highways Code, to read:*

30 *182.8. (a) It is the intent of the Legislature that this*  
31 *program help increase flexibility in the use of state and*  
32 *federal funding to complete transportation*  
33 *improvements. The ability to exchange certain federal*  
34 *funds for state funds may enhance that flexibility.*  
35 *However, it is the intent of the Legislature that the*  
36 *commission make these exchanges only if the exchanges*  
37 *do not compromise other state funded projects or*  
38 *activities.*

39 *(b) The commission shall propose guidelines and*  
40 *procedures to implement this section, hold a public*

1 hearing on the guidelines, and adopt the guidelines on or  
2 before February 1, 2001. The commission shall begin the  
3 exchange program on or before February 1, 2001, if it  
4 determines that funding is available for that purpose. The  
5 commission may amend its guidelines after holding a  
6 public hearing, but may not amend the guidelines  
7 between the time it notifies regional transportation  
8 planning agencies of the amount of state funds available  
9 for exchange and its approval of projects for exchange in  
10 any given year.

11 (c) On or before January 5 of each year, the  
12 department shall report to the commission the amounts  
13 apportioned as federal local assistance in the regional  
14 surface transportation and congestion mitigation and air  
15 quality programs for the year, the Federal Obligation  
16 Authority for the year, and the amount of federal funds  
17 it expects to be able to obligate for work on projects in all  
18 programs on or before September 30 of that year, and the  
19 commission, in cooperation with the department, shall  
20 determine the amount of state funds from the Traffic  
21 Congestion Relief Fund that can be made available for  
22 exchange under this section. If the release of federal  
23 apportionments and obligational authority is delayed  
24 beyond November 1 in any year, all the dates specified in  
25 this section shall be extended by an equivalent time,  
26 however, all federal funds exchanged shall be obligated  
27 on or before September 30 of the current federal fiscal  
28 year.

29 (d) The commission may exchange funds under this  
30 section if it determines all of the following:

31 (1) Adequate state funds are available to accomplish  
32 the exchange without putting at risk other transportation  
33 activities or projects needing state funds.

34 (2) Any exchange will be consistent with full  
35 implementation of the Traffic Congestion Relief Act of  
36 2000.

37 (3) Federal funds received in exchange can be readily  
38 and effectively used on other projects or activities by the  
39 state during the federal fiscal year.

1 (e) After making the determinations set forth in  
2 subdivision (d) the commission may offer to exchange  
3 state funds from the Traffic Congestion Relief Fund for  
4 federal local assistance funds, subject to the limits  
5 imposed under this section. For the purpose of this  
6 section, “federal local assistance” funds means regional  
7 surface transportation program or congestion mitigation  
8 and air quality program apportionments received that  
9 federal fiscal year and apportioned as local assistance  
10 pursuant to Sections 182.6 and 182.7.

11 (f) Not later than February 1 of each year, the  
12 commission shall notify the regional transportation  
13 planning agencies of the amount of state funds available  
14 for exchange for federal local assistance funds for that  
15 year. The maximum amount of state funds to be  
16 exchanged may not exceed 50 percent of the total amount  
17 of federal regional surface transportation program and  
18 congestion mitigation and air quality program funds  
19 apportioned for the current fiscal year as local assistance  
20 pursuant to subdivision (b) of Section 182.6 and  
21 subdivision (b) of Section 182.7, exclusive of state funds  
22 that may be exchanged pursuant to subdivision (g) of  
23 Section 182.6, paragraphs (1) and (2) of subdivision (h)  
24 of Section 182.6, or Section 182.7. Federal funds  
25 exchanged under this program shall be available for  
26 projects identified by the commission as ready to obligate  
27 during determination of the amount available for  
28 exchange. In no event will the amount of exchange  
29 exceed the department’s ability to obligate all federal  
30 funds during the current federal fiscal year. The  
31 commission may not exchange state funds for regional  
32 surface transportation program funds required to be  
33 spent for transportation enhancements. This section does  
34 not affect the amount of exchange under subdivision (g)  
35 of Sections 182.6, or paragraphs (1) and (2) of subdivision  
36 (h) of Section 182.6.

37 (g) Regional transportation planning agencies may  
38 submit applications for exchange of funds to the  
39 commission not later than March 15 of each year.  
40 Applications shall identify the proposed use for the

1 exchange funds, including project descriptions, cost  
2 estimates, scopes of work, schedules for construction,  
3 schedules for expenditures, and any other information  
4 required by the commission. The commission may  
5 require a region to identify priorities among applications  
6 it submits.

7 (h) If the commission receives applications for more  
8 exchange funds than the amount of state funds available,  
9 the commission shall select projects for exchange up to  
10 the amount of state funds available. The commission shall  
11 explain the criteria it uses to select projects, which shall  
12 include, but are not limited to, all of the following:

13 (1) Removal of all federal funds from projects.

14 (2) Assessment of projects that would benefit most  
15 from removal of federal funding because of size, type,  
16 location, agency capability, features, or federal  
17 requirements.

18 (3) Approximate relative equity within the program  
19 among regions in receiving state exchange funds over a  
20 multiyear period.

21 (i) The commission may exchange state funds for  
22 federal local assistance funds with agencies requesting  
23 exchanges. Agencies wishing to exchange their federal  
24 funds shall provide apportionments and obligation  
25 authority at the same rate the Federal Highway  
26 Administration distributes obligation authority. Agencies  
27 exchanging federal funds shall receive funds equal to 90  
28 percent of the obligation authority exchanged. The  
29 commission shall approve exchanges of funds not later  
30 than its second regularly scheduled meeting following  
31 March 15 each year.

32 (j) The commission shall determine an exchange  
33 payment schedule based on expenditure plans. The  
34 commission may suspend exchange payment schedules if  
35 it determines projects are not proceeding.

36 (k) For financial display and reporting purposes,  
37 obligational authority received pursuant to this section  
38 shall be reported as a revenue accrual in the Traffic  
39 Congestion Relief Fund in the year in which the  
40 exchange is approved under subdivision (i). Funds

1 approved for exchange shall be accrued as expenditures  
2 in the year in which the exchange is approved.  
3 Notwithstanding Section 16362 of the Government Code,  
4 the department shall immediately deposit into the Traffic  
5 Congestion Relief Funds all monies reimbursed by the  
6 Federal Highway Administration, as a result of expending  
7 the exchanged obligation authority.

8 (l) State funds provided through an exchange under  
9 this section must be encumbered within one year and  
10 expended within three years.

11 (m) Upon adoption of its implementing guidelines,  
12 the commission may consider requests for exchanges  
13 under this section.

14 (n) Regional and local agencies shall use state  
15 exchange funds only for projects or purposes for which  
16 the federal local assistance funds being exchanged were  
17 originally intended, and may not supplant local funds on  
18 projects in order that those local funds can subsequently  
19 be used for nontransportation purposes. The commission  
20 may ask agencies to certify that they are meeting this  
21 requirement. Agencies not meeting this maintenance of  
22 effort requirement may not be allowed to participate in  
23 the next exchange cycle.

24 (o) The commission shall include a summary of  
25 exchanges made pursuant to this section in its annual  
26 report to the Governor and Legislature pursuant to  
27 Section 14556.36, including an assessment of progress in  
28 implementing projects funded by exchanges, and  
29 discussion of issues and recommendations related to  
30 implementation of the exchange program.

31 (p) Not later than the effective date of the  
32 reauthorization of the federal surface transportation act,  
33 the commission shall submit a report to the Governor and  
34 the Legislature recommending any changes in the  
35 exchange program necessitated by that reauthorization.

36 SEC. 17. Section 183.1 is added to the Streets and  
37 Highways Code, to read:

38 183.1. (a) Notwithstanding subdivision (a) of Section  
39 182 or any other provision of law, money deposited into  
40 the account that is not subject to Article XIX of the



1 California Constitution, including, but not limited to,  
2 money that is derived from the sale of documents,  
3 charges for miscellaneous services to the public,  
4 condemnation deposits fund investments, rental of state  
5 property, or any other miscellaneous uses of property or  
6 money, may be used for any transportation purpose  
7 authorized by statute, upon appropriation by the  
8 Legislature or, after transfer to another fund, upon  
9 appropriation by the Legislature from that fund.

10 (b) Not later than November 1 of each year, based on  
11 prior year financial statements, the State Controller shall  
12 transfer the funds identified in subdivision (a) for the  
13 prior fiscal year to the Public Transportation Account in  
14 the State Transportation Fund.

15 SEC. 18. Section 2182 is added to the Streets and  
16 Highways Code, to read:

17 2182. (a) The funds appropriated from the Traffic  
18 Congestion Relief Fund pursuant to Section 21 of the act  
19 that added this section shall be allocated by the Controller  
20 to cities and counties for street and road maintenance,  
21 rehabilitation, and reconstruction. Four hundred million  
22 dollars (\$400,000,000) shall be allocated to the counties,  
23 including a city and county, and cities, including a city  
24 and county, as follows:

25 (1) Fifty percent to the counties, including a city and  
26 county, in accordance with the following formulas:

27 (A) Seventy-five percent of the funds payable under  
28 this paragraph shall be apportioned among the counties  
29 in the proportion that the number of fee-paid and exempt  
30 vehicles that are registered in the county bears to the  
31 number of fee-paid and exempt vehicles registered in the  
32 state.

33 (B) Twenty-five percent of the funds payable under  
34 this paragraph shall be apportioned among the counties  
35 in the proportion that the number of miles of maintained  
36 county roads in each county bears to the total number of  
37 miles of maintained county roads in the state. For the  
38 purposes of apportioning funds under this subparagraph,  
39 any roads within the boundaries of a city and county that

1 are not state highways shall be deemed to be county  
2 roads.

3 (2) Fifty percent to cities, including a city and county,  
4 apportioned among the cities in the proportion that the  
5 total population of the city bears to the total population  
6 of all the cities in the state.

7 (b) Funds received under this section shall be  
8 deposited as follows in order to avoid the commingling of  
9 those funds with other local funds:

10 (1) In the case of a city, into the city account that is  
11 designated for the receipt of state funds allocated for  
12 transportation purposes.

13 (2) In the case of a county, into the county road fund.

14 (3) In the case of a city and county, into a local account  
15 that is designated for the receipt of state funds allocated  
16 for transportation purposes.

17 (c) Funds apportioned to a city or county under this  
18 section shall be used only for street and highway  
19 pavement maintenance, rehabilitation, and  
20 reconstruction of necessary associated facilities such as  
21 drainage and traffic control devices. Rehabilitation or  
22 reconstruction may include widening necessary to bring  
23 the roadway width to the desirable minimum pavement  
24 width consistent with accepted design standards for local  
25 streets and roads, but does not include widening or  
26 increasing the traffic capacity of a street or road.

27 SEC. 19. Section 2182.1 is added to the Streets and  
28 Highways Code, to read:

29 2182.1. (a) The Legislature finds and declares that it  
30 intends cities and counties to use the funds made  
31 available from Section 21 of the act that added this section  
32 to supplement existing local revenues being used for  
33 maintenance and rehabilitation of local streets and roads.  
34 Cities and counties shall maintain their existing  
35 commitment of local funds for maintenance and  
36 rehabilitation of local streets and roads in order to remain  
37 eligible for allocation and expenditure of the additional  
38 four hundred million dollars (\$400,000,000) made  
39 available by Section 21 of the act that added this section.

1 (b) In order to receive any allocation pursuant to  
 2 Section 2182, the city or county shall annually expend  
 3 from its general fund for street, road, and highway  
 4 purposes an amount not less than the annual average of  
 5 its expenditures from its general fund during the 1996–97,  
 6 1997–98, and 1998–99 fiscal years, as reported to the  
 7 Controller pursuant to Section 2151. For purposes of this  
 8 subdivision, in calculating a city’s or county’s annual  
 9 general fund expenditures and its average general fund  
 10 expenditures for the 1996–97, 1997–98, and 1998–99 fiscal  
 11 years, any unrestricted funds that the city or county may  
 12 expend at its discretion, including vehicle in-lieu tax  
 13 revenues and revenues from fines and forfeitures,  
 14 expended for street and highway purposes shall be  
 15 considered expenditures from the general fund.  
 16 One-time allocations that have been expended for street  
 17 and highway purposes, but which may not be available on  
 18 an ongoing basis, including revenue provided under the  
 19 Teeter Plan Bond Law of 1994 (Chapter 6.6  
 20 (commencing with Section 54773) of Part 1 of Division 2  
 21 of Title 5 of the Government Code, may not be  
 22 considered when calculating a city’s or county’s annual  
 23 general fund expenditures.

24 (c) For purposes of subdivision (a), the Controller  
 25 may request fiscal data from cities and counties, in  
 26 addition to data provided pursuant to Section 2151, for the  
 27 1996–97, 1997–98, and 1998–99 fiscal years. Each city and  
 28 county shall furnish the data to the Controller not later  
 29 than 120 days after receiving the request. The Controller  
 30 may withhold payment to cities and counties that do not  
 31 comply with the request for information or that provide  
 32 incomplete data.

33 (d) At the conclusion of each fiscal year during which  
 34 a city or county receives funding under Section 2182, the  
 35 Controller shall verify the city’s or county’s compliance  
 36 with subdivision (a). Any city or county that has not  
 37 complied with subdivision (a) shall reimburse the state  
 38 for the funds it received during that fiscal year. Any funds  
 39 withheld or returned as a result of a failure to comply with

1 subdivision (a) shall be reallocated to the other counties  
2 and cities whose expenditures are in compliance.

3 (e) If a city or county fails to comply with the  
4 requirements of subdivision (a) in a particular fiscal year,  
5 the city or county may expend during that fiscal year and  
6 the following fiscal year a total amount that is not less than  
7 the total amount required to be expended for those fiscal  
8 years for purposes of complying with subdivision (a).

9 (f) The allocation made under Section 2182 shall be  
10 expended not later than the end of the fiscal year  
11 following the fiscal year in which the allocation was made,  
12 and any funds not expended within that period shall be  
13 returned to the Controller and shall be reallocated to the  
14 other cities and counties pursuant to the allocation  
15 formulas set forth in Section 2182.

16 SEC. 20. The sum of one billion five hundred million  
17 dollars (\$1,500,000,000) is hereby appropriated from the  
18 General Fund to the Traffic Congestion Relief Fund for  
19 the purposes of Section 14556.5 of the Government Code.

20 SEC. 21. The sum of four hundred million dollars  
21 (\$400,000,000) is hereby appropriated from the Traffic  
22 Congestion Relief Fund to the Controller for allocation to  
23 cities and counties, including a city and county, for the  
24 purposes of Section 2182 of the Streets and Highways  
25 Code.

26 SEC. 22. The sum of five million dollars (\$5,000,000)  
27 is hereby appropriated from the Traffic Congestion  
28 Relief Fund to the High-Speed Rail Authority for the  
29 purpose of commencing preliminary environmental  
30 documentation for the implementation of high-speed rail  
31 service in California.

32 SEC. 23. Notwithstanding any other provision of law,  
33 when making the calculation as required by subdivision  
34 (b) of Section 8 of Article XVI of the California  
35 Constitution, "General Fund revenues that may be  
36 appropriated pursuant to Article XIII B" as used in  
37 paragraphs (1) and (3) of subdivision (b) of Section 8 of  
38 Article XVI of the California Constitution, shall include  
39 the amounts of the transfer specified under paragraphs  
40 (11), (12), and (13) of subdivision (a) of Section 7102 of

1 the Revenue and Taxation Code, as amended by Section  
2 10 of this act. For the 2000–01 fiscal year, the Director of  
3 Finance shall adjust the amount required to be allocated  
4 to school districts and community college districts to  
5 ensure that paragraphs (11), (12), and (13) of subdivision  
6 (a) of Section 7102 of the Revenue and Taxation Code, as  
7 amended by Section 10 of this act, do not diminish the  
8 funding level for school districts and community college  
9 districts to a funding level below that required absent the  
10 transfer authorized by paragraphs (11), (12), and (13) of  
11 subdivision (a) of Section 7102 of the Revenue and  
12 Taxation Code, as amended by Section 10 of this act.

13 SEC. 24. This act is an urgency statute necessary for  
14 the immediate preservation of the public peace, health,  
15 or safety within the meaning of Article IV of the  
16 Constitution and shall go into immediate effect. The facts  
17 constituting the necessity are:

18 This act creates a significant program designed to  
19 reduce traffic congestion, which will improve the public's  
20 health and safety. In order for the program authorized by  
21 this act to be implemented as soon as possible, it is  
22 necessary that this act go into immediate effect.

23 Highways Code is amended to read:

24 ~~2191. (a) For purposes of this section, an~~  
25 ~~“intermodal corridor of economic significance” is any~~  
26 ~~significant transportation artery in the state that connects~~  
27 ~~or provides access to major sea or waterway ports,~~  
28 ~~nationwide railway systems, airports, or interstate or~~  
29 ~~intrastate highway systems.~~

30 ~~(b) The department, in cooperation with regional~~  
31 ~~transportation planning agencies, shall identify the state's~~  
32 ~~intermodal corridors of economic significance. The~~  
33 ~~identified corridors shall include, at a minimum, at least~~  
34 ~~one corridor that serves two or more major seaports.~~

35 ~~(c) The department, in cooperation with the regional~~  
36 ~~transportation planning agencies, shall establish a task~~  
37 ~~force composed of representatives from federal, state,~~  
38 ~~and local governmental agencies and representatives~~  
39 ~~from the private sector to develop a strategy for avoiding~~

1 congestion on the state's intermodal corridors of  
2 economic significance.

3 (d) The department, in cooperation with local and  
4 regional transportation agencies, shall develop and apply  
5 performance measures for the movement of freight on  
6 the intermodal corridors of economic significance to  
7 gauge the ability of those corridors to provide efficient  
8 movement of goods.

9 (e) The department shall monitor the performance of  
10 the intermodal corridors of economic significance to  
11 detect any deficiencies at an early stage, determine the  
12 causes of those deficiencies, and develop strategies to  
13 address those deficiencies. The department shall work  
14 with other states to establish standardized performance  
15 measures for the intermodal corridors of economic  
16 significance.

